CQ

CONGRESSIONAL QUARTERLY

Weekly Report

REPRODUCTION PROHIBITED IN WHOLE OR IN PART

VOL. XVIII
PAGES 1–37

No. 1

WEEK ENDING JAN. 1, 1960

CONTENTS

The Issues Facing Congress

2nd Session -- 1960

(See Back Cover for Index)

UPDATED MEMBERSHIP CHARTS

House
Page 2

Senate
Page 4

BY CONGRESSIONAL QUARTERLY INCORPORATED

The Authoritative Reference on Congress

1156 NINETEENTH STREET, N. W. • WASHINGTON 6, D. C. • STerling 3-8060

CQ

What's Ahead?

Dates are listed as released by sources and are sometimes subject to change.

Committee Hearings

Jan. 4-5 -- JUVENILE COURTS, Senate Judiciary, Juvenile Delinquency Subc.
Jan. 6 -- SPACE LAG, House Science and Astronautics.
Jan. 8 -- UNEMPLOYMENT PROBLEMS, Senate Unemployment Problems. Field hearings in Schenectady, N.Y.
Jan. 11 -- AIR SAFETY, Senate Interstate and Foreign Commerce, Aviation Subc.
Feb. 2 -- MOVIE AND PUBLISHING INDUSTRIES CODES, House Post Office and Civil Service, Postal Operations Subc.

Other Events

Jan. 2-25 -- BRITISH LABOR PARTY LEADER HUGH GAITSKELL, visit to United States and West Indies.
Jan. 5-8 -- NATIONAL COUNCIL OF FARMER COOPERATIVES, 31st annual meeting, Biltmore Hotel, Atlanta.
Jan. 6 -- 86th CONGRESS RECONVENES.
Jan. 11-13 -- LABOR LEGISLATIVE CONFERENCE, AFL-CIO auspices, Willard Hotel, Washington.
Jan. 18-20 -- NATIONAL CANNERS ASSN. CONVENTION, Americana Hotel, Miami Beach. Speech by Earl W. Kintner, chairman of the Federal Trade Commission.
Jan. 18-19 -- ELECTRIC CONSUMERS INFORMATION COMMITTEE, legislative workshop, Willard Hotel, Washington.
Jan. 25-27 -- CIVIL RIGHTS COMMISSION, field hearings, Los Angeles and San Francisco.
Jan. 28-29 -- PRIVATE TRUCK COUNCIL OF AMERICA INC., 21st annual convention, Roosevelt Hotel, New York.
Feb. 8 -- AFL-CIO, annual winter meeting, Americana Hotel, Miami Beach.
March 1 -- TARIFF COMMISSION, hearings on cotton.
March 13-17 -- NATIONAL FARMERS UNION CONVENTION, Denver.
March 22-24 -- SPANISH FOREIGN MINISTER FERNANDO MARIA CASTIELLA Y MAIZ, visit to United States, ministerial conference, Washington.
April 5-14 -- COLOMBIAN PRESIDENT ALBERTO L. CAMARGO, state visit to the United States.

Political Events

Jan. 9 -- RUNOFF, Louisiana Democratic gubernatorial nomination.
Jan. 22 -- DEMOCRATIC NATIONAL COMMITTEE, pre-convention and campaign strategy meeting, Washington.
Jan. 23 -- DEMOCRATIC PRESIDENTIAL CAMPAIGN KICK-OFF DINNER, Washington.
Jan. 25 -- ILLINOIS FINAL FILING DATE, Presidential and Congressional primaries.
Jan. 27 -- "DINNER WITH IKE," address by President Eisenhower, Pan Pacific Auditorium, Los Angeles. Fifty other dinners scheduled throughout the country.
JAN. 28 -- NEW HAMPSHIRE FINAL FILING DATE, Presidenial primary.
Feb. 1 -- TEXAS FINAL FILING DATE, Congressional primary.
Feb. 3 -- OHIO FINAL FILING DATE, Presidential and Congressional primaries.
Feb. 6 -- WEST VIRGINIA FINAL FILING DATE, Presidential and Congressional primaries.
March 1 -- FLORIDA FINAL FILING DATE, Presidential and Congressional primaries:
March 1 -- ALABAMA FINAL FILING DATE, Congressional primary.
March 4 -- WISCONSIN FINAL FILING DATE, Presidential primary.
March 6 -- NEW MEXICO FINAL FILING DATE, Congressional primary.
March 7 -- MARYLAND FINAL FILING DATE, Congressional primary.
March 8 -- MASSACHUSETTS FINAL FILING DATE, Presidential primary.
March 8 -- NEW HAMPSHIRE PRESIDENTIAL PRIMARY.
March 9 -- CALIFORNIA FINAL FILING DATE, Presidential primary.
March 10 -- NEW JERSEY FINAL FILING DATE, Presidential and Congressional primaries.
March 11 -- NEBRASKA FINAL FILING DATE, Presidential and Congressional primaries.
March 11 -- OREGON FINAL FILING DATE, for Congressional primary and petitions entering a name in Presidential primary.
March 14 -- MARYLAND FINAL FILING DATE, Presidential primary.

CONGRESSIONAL QUARTERLY A service for editors and standard reference on U.S. Congress

Editor and President: Henrietta and Nelson Poynter. Executive Editor: Thomas N. Schroth.
Senior Writers: Elizabeth J. Brenner, Mary W. Cohn, William A. Korns, Helene C. Monberg, Spencer A. Rich
Research Writers: Stephen Chatmuck, Ruth Hussey, Jerry Jarvis, Judy Kazan, Gladys Miller, Jonas V. Morris, Shirley Seib, Wayne Walker, Edward T. Walsh.
C.Q. Almanac Editor: Georgianna F. Rathbun. Editorial Assistants: Mary Emily Dwight, Roberta Russell, James Sayler.
Publisher: Buel F. Weare. Business Manager: Walter E. Thomas. Production Supervisor: Walter W. Conklin, Jr.

SS

Second Session, 86th Congress

National and World Problems Compete with Elections For Members' Attention; Major Issues, Membership Listed

Congress enters 1960 with the immediate task of turning out legislation in many crucial fields. The major areas involved are outlined in detail in this Weekly Report. How Members of Congress deal with this legislation will be deeply influenced and highly distracted by the elections -- both their own and that of a President and Vice President -- that come later in the year. Congressional investigations, which may result in no legislation at all, will produce headlines and controversy. For Members, making a record that is acceptable to themselves, to their constituents and to their parties will be an effort that reflects not only their survival instinct this year but their concern for the shape of national policy in the decade ahead and the role of America in the world around it. This Weekly Report also contains complete House and Senate rosters for the second session of the 86th Congress in 1960.

* * * * * *

The second session of the 86th Congress opens Jan. 6 with membership as follows:

	Democrats	Republicans	Vacancies
HOUSE	281	153	3
SENATE	65	35	0

The major change in first session membership came with the addition of Members from the new states of Alaska and Hawaii. When Congress convened in January Alaska gave the Democrats two new Senators -- E.L. (Bob) Bartlett and Ernest Gruening -- and one Representative -- Ralph J. Rivers. During the session the two parties each gained a Senator from Hawaii with the Aug. 24 swearing in of Sens. Oren E. Long (D) and Hiram L. Fong (R). In the House, Hawaii's Democratic Member, Daniel K. Inouye, was seated Aug. 24.

Other Membership changes came with the deaths of one Senator and six Representatives. Senator William Langer (R N.D.), died Nov. 8. His successor, C. Norman Brunsdale (R), Nov. 19 was appointed to serve until the election June 28, 1960 of a successor to serve the remaining five years of Langer's term.

Rep. George H. Christopher (D Mo.) died Jan. 23 and was replaced by William J. Randall (D), who was sworn in March 9, following his March 3 election. Rep. Daniel A. Reed (R N.Y.) died Feb. 19, and was succeeded by Charles E. Goodell Jr. (R), who was elected May 26 and sworn in June 2. Rep. James G. Polk (D Ohio) died April 28 and an election to name his successor has been set for Nov. 8, 1960.

Three Representatives died after Congress adjourned -- Charles A. Boyle (D Ill.) and Steven V. Carter (D Iowa) died Nov. 4 and Alvin R. Bush (R Pa.) Nov. 5. John H. Kyl (R) was elected Dec. 15 to replace Carter. An election to name Bush's successor has been scheduled for April 4, 1960, but no date yet has been set for an election to replace Boyle.

Politics 1960

At the Nov. 8 elections, the following will be chosen:

A President and a Vice President,
437 Representatives,
33 Senators,
27 Governors.

The elections will be preceded by Presidential primaries in 15 states and the District of Columbia in March, April, May and June. The first of these will be held in New Hampshire March 8.

The Democratic National Convention will start in Los Angeles July 11. The Republican National Convention will begin in Chicago July 25.

Almost every state chooses its candidates for Senate, House and Governor by state conventions or primaries between March and October.

Party Leadership

When the second session convenes, these will be its leaders in the Senate:

President -- Vice President Richard M. Nixon.
President Pro Tempore -- Carl Hayden (D Ariz.)
Majority Leader -- Lyndon B. Johnson (D Texas)
Majority Whip -- Mike Mansfield (D Mont.)
Minority Leader -- Everett McKinley Dirksen (R Ill.)
Minority Whip -- Thomas H. Kuchel (R Calif.)

In the House, the leadership will be:

Speaker -- Sam Rayburn (D Texas)
Majority Leader -- John W. McCormack (D Mass.)
Majority Whip -- Carl Albert (D Okla.)
Minority Leader -- Charles A. Halleck (R Ind.)
Minority Whip -- Leslie C. Arends (R Ill.)

HOUSE MEMBERSHIP IN THE 1960 SESSION . . .

Democrats are CAPITALIZED
*Freshman Representative

ALABAMA

1. FRANK W. BOYKIN
2. GEORGE M. GRANT
3. GEORGE W. ANDREWS
4. KENNETH A. ROBERTS
5. ALBERT RAINS
6. ARMISTEAD I. SELDEN JR.
7. CARL ELLIOTT
8. ROBERT E. JONES JR.
9. GEORGE HUDDLESTON JR.

ALASKA

AL RALPH J. RIVERS*

ARIZONA

1. John J. Rhodes
2. STEWART L. UDALL

ARKANSAS

1. E.C. GATHINGS
2. WILBUR D. MILLS
3. JAMES W. TRIMBLE
4. OREN HARRIS
5. DALE ALFORD*
6. W.F. NORRELL

CALIFORNIA

1. CLEMENT W. MILLER*
2. HAROLD T. JOHNSON*
3. JOHN E. MOSS
4. William S. Mailliard
5. JOHN F. SHELLEY
6. John F. Baldwin Jr.
7. JEFFERY COHELAN*
8. GEORGE P. MILLER
9. J. Arthur Younger
10. Charles S. Gubser
11. JOHN J. McFALL
12. B.F. SISK
13. Charles M. Teague
14. HARLAN HAGEN
15. Gordon L. McDonough
16. Donald L. Jackson
17. CECIL R. KING
18. Craig Hosmer
19. CHET HOLIFIELD
20. H. Allen Smith
21. Edgar W. Hiestand
22. Joe Holt
23. CLYDE DOYLE
24. Glenard P. Lipscomb
25. GEORGE A. KASEM*
26. JAMES ROOSEVELT
27. HARRY R. SHEPPARD
28. James B. Utt
29. D.S. SAUND
30. Bob Wilson

COLORADO

1. BYRON G. ROGERS
2. BYRON L. JOHNSON*
3. J. Edgar Chenoweth
4. WAYNE N. ASPINALL

CONNECTICUT

1. EMILIO Q. DADDARIO*
2. CHESTER W. BOWLES*
3. ROBERT N. GIAIMO*
4. DONALD J. IRWIN*
5. JOHN S. MONAGAN*

AL FRANK KOWALSKI*

HOUSE LINEUP

219 Needed for Majority in 1960

	85th Congress	86th Congress (First session, Jan. 7, 1959)	86th Congress (Second session, Jan. 6, 1960)[1]
Democrats	235	283	281
Republicans	200	153	153

1 - Three vacancies.

DELAWARE

AL HARRIS B.McDOWELL JR.*

FLORIDA

1. William C. Cramer
2. CHARLES E. BENNETT
3. ROBERT L.F. SIKES
4. DANTE B. FASCELL
5. A. SYDNEY HERLONG JR.
6. PAUL G. ROGERS
7. JAMES A. HALEY
8. D.R.(BILLY) MATTHEWS

GEORGIA

1. PRINCE H. PRESTON
2. J.L. PILCHER
3. E.L. FORRESTER
4. JOHN J. FLYNT JR.
5. JAMES C. DAVIS
6. CARL VINSON
7. ERWIN MITCHELL
8. IRIS FAIRCLOTH BLITCH
9. PHIL M. LANDRUM
10. PAUL BROWN

HAWAII

AL DANIEL K. INOUYE*

IDAHO

1. GRACIE PFOST
2. Hamer H. Budge

ILLINOIS

1. WILLIAM L. DAWSON
2. BARRATT O'HARA
3. WILLIAM T. MURPHY*
4. Edward J. Derwinski*
5. JOHN C. KLUCZYNSKI
6. THOMAS J. O'BRIEN
7. ROLAND V. LIBONATI
8. DANIEL D.ROSTENKOWSKI*
9. SIDNEY R. YATES
10. Harold R. Collier
11. ROMAN C. PUCINSKI*
12. Vacant
13. Marguerite Stitt Church
14. Elmer J. Hoffman*
15. Noah M. Mason
16. Leo E. Allen
17. Leslie C. Arends
18. Robert H. Michel
19. Robert B. Chiperfield
20. Edna Oakes Simpson*
21. PETER F. MACK JR.
22. William L. Springer
23. GEORGE E. SHIPLEY*
24. MELVIN PRICE
25. KENNETH J. GRAY

INDIANA

1. RAY J. MADDEN
2. Charles A. Halleck
3. JOHN BRADEMAS*
4. E. Ross Adair
5. J. EDWARD ROUSH*
6. FRED WAMPLER*
7. William G. Bray
8. WINFIELD K. DENTON
9. EARL HOGAN*
10. RANDALL S. HARMON*
11. JOSEPH W. BARR*

IOWA

1. Fred Schwengel
2. LEONARD G. WOLF*
3. H. R. Gross
4. John H. Kyl*
5. NEAL E. SMITH*
6. MERWIN COAD
7. Ben F. Jensen
8. Charles B. Hoeven

KANSAS

1. William H. Avery
2. NEWELL A. GEORGE*
3. DENVER D. HARGIS*
4. Edward H. Rees
5. J. FLOYD BREEDING
6. Wint Smith

KENTUCKY

1. FRANK A.STUBBLEFIELD*
2. WILLIAM H. NATCHER
3. FRANK W. BURKE*
4. FRANK CHELF
5. BRENT SPENCE
6. JOHN C. WATTS
7. CARL D. PERKINS
8. Eugene Siler

LOUISIANA

1. F. EDWARD HÉBERT
2. HALE BOGGS
3. EDWIN E. WILLIS
4. OVERTON BROOKS
5. OTTO E. PASSMAN
6. JAMES H. MORRISON
7. T. ASHTON THOMPSON
8. HAROLD B. McSWEEN*

MAINE

1. JAMES C. OLIVER*
2. FRANK M. COFFIN
3. Clifford G. McIntire

MARYLAND

1. THOMAS F. JOHNSON*
2. DANIEL B. BREWSTER*
3. EDWARD A. GARMATZ
4. GEORGE H. FALLON
5. RICHARD E. LANKFORD
6. JOHN R. FOLEY*
7. SAMUEL N. FRIEDEL

MASSACHUSETTS

1. Silvio O. Conte*
2. EDWARD P. BOLAND
3. PHILIP J. PHILBIN
4. HAROLD D. DONOHUE
5. Edith Nourse Rogers
6. William H. Bates
7. THOMAS J. LANE
8. TORBERT H.MACDONALD
9. Hastings Keith*
10. Laurence Curtis
11. THOMAS P. O'NEILL JR.
12. JOHN W. McCORMACK
13. JAMES A. BURKE*
14. Joseph W. Martin Jr.

MICHIGAN

1. THADDEUS M.MACHROWICZ
2. George Meader
3. August E. Johansen
4. Clare E. Hoffman
5. Gerald R. Ford Jr.
6. Charles E. Chamberlain
7. JAMES G. O'HARA*
8. Alvin M. Bentley
9. Robert P. Griffin
10. Elford A. Cederberg
11. Victor A. Knox
12. John B. Bennett
13. CHARLES C. DIGGS JR.
14. LOUIS C. RABAUT
15. JOHN D. DINGELL
16. JOHN LESINSKI JR.
17. MARTHA W. GRIFFITHS
18. William S. Broomfield

MINNESOTA

1. Albert H. Quie
2. Ancher Nelsen*
3. ROY W. WIER
4. JOSEPH E. KARTH*
5. Walter H. Judd
6. FRED MARSHALL
7. H. Carl Andersen
8. JOHN A. BLATNIK
9. Odin Langen*

MISSISSIPPI

1. THOMAS G. ABERNETHY
2. JAMIE L. WHITTEN
3. FRANK E. SMITH
4. JOHN BELL WILLIAMS
5. ARTHUR WINSTEAD
6. WILLIAM M. COLMER

. . . 281 DEMOCRATS, 153 REPUBLICANS, 3 VACANCIES

Democrats are CAPITALIZED
*Freshman Representative

MISSOURI

1. FRANK M. KARSTEN
2. Thomas B. Curtis
3. LEONOR K. SULLIVAN
4. WILLIAM J. RANDALL*
5. RICHARD BOLLING
6. W.R. HULL JR.
7. CHARLES H. BROWN
8. A.S.J. CARNAHAN
9. CLARENCE CANNON
10. PAUL C. JONES
11. MORGAN M. MOULDER

MONTANA

1. LEE METCALF
2. LEROY A. ANDERSON

NEBRASKA

1. Phil Weaver
2. Glenn Cunningham
3. LAWRENCE BROCK*
4. DONALD F.McGINLEY*

NEVADA

AL WALTER S. BARING

NEW HAMPSHIRE

1. Chester E. Merrow
2. Perkins Bass

NEW JERSEY

1. William T. Cahill*
2. Milton W. Glenn
3. James C. Auchincloss
4. FRANK THOMPSON JR.
5. Peter Frelinghuysen Jr.
6. Florence P. Dwyer
7. William B. Widnall
8. Gordon Canfield
9. Frank C. Osmers Jr.
10. PETER W. RODINO JR.
11. HUGH J. ADDONIZIO
12. George M. Wallhauser*
13. CORNELIUS E.GALLAGHER*
14. DOMINICK V. DANIELS*

NEW MEXICO

AL JOSEPH M. MONTOYA
AL THOMAS G. MORRIS*

NEW YORK

1. Stuyvesant Wainwright
2. Steven B. Derounian
3. Frank J. Becker
4. Seymour Halpern*
5. Albert H. Bosch
6. LESTER HOLTZMAN
7. JAMES J. DELANEY
8. VICTOR L. ANFUSO
9. EUGENE J. KEOGH
10. EDNA F. KELLY
11. EMANUEL CELLER
12. Francis E. Dorn
13. ABRAHAM J. MULTER
14. JOHN J. ROONEY
15. John H. Ray
16. ADAM C. POWELL JR.
17. John V. Lindsay*
18. ALFRED E. SANTANGELO
19. LEONARD FARBSTEIN
20. LUDWIG TELLER
21. HERBERT ZELENKO
22. JAMES C. HEALEY
23. ISIDORE DOLLINGER
24. CHARLES A. BUCKLEY
25. Paul A. Fino
26. Edwin B. Dooley
27. Robert R. Barry*
28. Katharine St. George
29. J. Ernest Wharton
30. LEO W. O'BRIEN
31. Dean P. Taylor
32. SAMUEL S. STRATTON*
33. Clarence E. Kilburn
34. Alexander Pirnie*
35. R. Walter Riehlman
36. John Taber
37. Howard W. Robison
38. Jessica McC. Weis*
39. Harold C. Ostertag
40. William E. Miller
41. THADDEUS J. DULSKI*
42. John R. Pillion
43. Charles E. Goodell Jr.*

NORTH CAROLINA

1. HERBERT C. BONNER
2. L.H. FOUNTAIN
3. GRAHAM A. BARDEN
4. HAROLD D. COOLEY
5. RALPH J. SCOTT
6. CARL T. DURHAM
7. ALTON LENNON
8. A. PAUL KITCHIN
9. HUGH Q.ALEXANDER
10. Charles Raper Jonas
11. BASIL L. WHITENER
12. DAVID M. HALL*

NORTH DAKOTA

AL QUENTIN N. BURDICK*
AL Don L. Short*

OHIO

1. Gordon H. Scherer
2. William E. Hess
3. Paul F. Schenck
4. William M. McCulloch
5. Delbert L. Latta*
6. Vacant
7. Clarence J. Brown
8. Jackson E. Betts
9. THOMAS L. ASHLEY
10. WALTER H. MOELLER*
11. ROBERT E. COOK*
12. Samuel L. Devine*
13. A.D. Baumhart Jr.
14. William H. Ayres
15. John E. Henderson
16. Frank T. Bow
17. ROBERT W. LEVERING*
18. WAYNE L. HAYS
19. MICHAEL J. KIRWAN
20. MICHAEL A. FEIGHAN
21. CHARLES A. VANIK
22. Frances P. Bolton
23. William E. Minshall

OKLAHOMA

1. Page Belcher
2. ED EDMONDSON
3. CARL ALBERT
4. TOM STEED
5. JOHN JARMAN
6. TOBY MORRIS

OREGON

1. Walter Norblad
2. AL ULLMAN
3. EDITH GREEN
4. CHARLES O. PORTER

PENNSYLVANIA

1. WILLIAM A. BARRETT
2. KATHRYN E. GRANAHAN
3. JAMES A. BYRNE
4. ROBERT N.C. NIX
5. WILLIAM J. GREEN JR.
6. HERMAN TOLL*
7. William H. Milliken Jr.*
8. Willard S. Curtin
9. Paul B. Dague
10. STANLEY A. PROKOP*
11. DANIEL J. FLOOD
12. Ivor D. Fenton
13. John A. Lafore Jr.
14. GEORGE M. RHODES
15. FRANCIS E. WALTER
16. Walter M. Mumma
17. Vacant
18. Richard M. Simpson
19. JAMES M. QUIGLEY*
20. James E. Van Zandt
21. JOHN H. DENT
22. John P. Saylor
23. Leon H. Gavin
24. Carroll D. Kearns
25. FRANK M. CLARK
26. THOMAS E. MORGAN
27. James G. Fulton
28. WILLIAM S. MOORHEAD*
29. Robert J. Corbett
30. ELMER J. HOLLAND

RHODE ISLAND

1. AIME J. FORAND
2. JOHN E. FOGARTY

SOUTH CAROLINA

1. L. MENDEL RIVERS
2. JOHN J. RILEY
3. W.J. BRYAN DORN
4. ROBERT T. ASHMORE
5. ROBERT W. HEMPHILL
6. JOHN L. McMILLAN

SOUTH DAKOTA

1. GEORGE S. McGOVERN
2. E.Y. Berry

TENNESSEE

1. B. Carroll Reece
2. Howard H. Baker
3. JAMES B. FRAZIER JR.
4. JOE L. EVINS
5. J.CARLTON LOSER
6. ROSS BASS
7. TOM MURRAY
8. ROBERT A. EVERETT
9. CLIFFORD DAVIS

TEXAS

1. WRIGHT PATMAN
2. JACK B. BROOKS
3. LINDLEY G.BECKWORTH
4. SAM RAYBURN
5. Bruce Alger
6. OLIN E. TEAGUE
7. JOHN DOWDY
8. ALBERT THOMAS
9. CLARK W. THOMPSON
10. HOMER THORNBERRY
11. W. R. POAGE
12. JIM WRIGHT
13. FRANK IKARD
14. JOHN YOUNG
15. JOE M. KILGORE
16. J.T. RUTHERFORD
17. OMAR BURLESON
18. WALTER ROGERS
19. GEORGE MAHON
20. PAUL J. KILDAY
21. O.C. FISHER
22. ROBERT R. CASEY*

UTAH

1. Henry Aldous Dixon
2. DAVID S. KING*

VERMONT

AL WILLIAM H. MEYER*

VIRGINIA

1. THOMAS N. DOWNING*
2. PORTER HARDY JR.
3. J. VAUGHAN GARY
4. WATKINS M. ABBITT
5. WILLIAM M. TUCK
6. Richard H. Poff
7. BURR P. HARRISON
8. HOWARD W. SMITH
9. W. PAT JENNINGS
10. Joel T. Broyhill

WASHINGTON

1. Thomas M. Pelly
2. Jack Westland
3. Russell V. Mack
4. Catherine D. May*
5. Walt Horan
6. Thor C. Tollefson
7. DON MAGNUSON

WEST VIRGINIA

1. Arch A. Moore Jr.
2. HARLEY O. STAGGERS
3. CLEVELAND M. BAILEY
4. KEN HECHLER *
5. ELIZABETH KEE
6. JOHN M. SLACK JR.*

WISCONSIN

1. GERALD T. FLYNN*
2. ROBERT W.KASTENMEIER*
3. Gardner R. Withrow
4. CLEMENT J. ZABLOCKI
5. HENRY S. REUSS
6. William K. Van Pelt
7. Melvin R. Laird
8. John W. Byrnes
9. LESTER R. JOHNSON
10. Alvin E. O'Konski

WYOMING

AL E. Keith Thomson

SENATE MEMBERSHIP IN THE 86th CONGRESS, 2nd SESSION

Democrats are CAPITALIZED
Senators whose terms expire in 1960 are underlined
*Freshman Senators
†Brunsdale appointed to fill unexpired term of late Sen. William Langer (R). Special election will be held June 28, 1960 to fill remaining five years of term.

ALABAMA
LISTER HILL
JOHN J. SPARKMAN

ALASKA
E.L. (BOB) BARTLETT*
ERNEST GRUENING*

ARIZONA
CARL HAYDEN
Barry Goldwater

ARKANSAS
J.W. FULBRIGHT
JOHN L. McCLELLAN

CALIFORNIA
CLAIR ENGLE*
Thomas H. Kuchel

COLORADO
JOHN A. CARROLL
Gordon Allott

CONNECTICUT
THOMAS J. DODD*
Prescott Bush

DELAWARE
John J. Williams
J. ALLEN FREAR JR.

FLORIDA
SPESSARD L. HOLLAND
GEORGE A. SMATHERS

GEORGIA
RICHARD B. RUSSELL
HERMAN E. TALMADGE

HAWAII
OREN E. LONG*
Hiram L. Fong*

IDAHO
FRANK CHURCH
Henry C. Dworshak

ILLINOIS
PAUL H. DOUGLAS
Everett McKinley Dirksen

INDIANA
R. VANCE HARTKE*
Homer E. Capehart

IOWA
Bourke B. Hickenlooper
Thomas E. Martin

KANSAS
Frank Carlson
Andrew F. Schoeppel

KENTUCKY
John Sherman Cooper
Thruston B. Morton

LOUISIANA
ALLEN J. ELLENDER
RUSSELL B. LONG

MAINE
EDMUND S. MUSKIE*
Margaret Chase Smith

MARYLAND
J. Glenn Beall
John Marshall Butler

MASSACHUSETTS
JOHN F. KENNEDY
Leverett Saltonstall

MICHIGAN
PHILIP A. HART*
PAT McNAMARA

MINNESOTA
EUGENE J. McCARTHY*
HUBERT H. HUMPHREY

MISSISSIPPI
JOHN STENNIS
JAMES O. EASTLAND

MISSOURI
STUART SYMINGTON
THOMAS C. HENNINGS JR.

MONTANA
MIKE MANSFIELD
JAMES E. MURRAY

NEBRASKA
Roman L. Hruska
Carl T. Curtis

NEVADA
HOWARD W. CANNON*
ALAN BIBLE

NEW HAMPSHIRE
Styles Bridges
Norris Cotton

NEW JERSEY
HARRISON A. WILLIAMS*
Clifford P. Case

NEW MEXICO
DENNIS CHAVEZ
CLINTON P. ANDERSON

NEW YORK
Kenneth B. Keating*
Jacob K. Javits

NORTH CAROLINA
B. EVERETT JORDAN
SAM J. ERVIN JR.

NORTH DAKOTA
Milton R. Young
C. Norman Brunsdale*†

OHIO
STEPHEN M. YOUNG*
FRANK J. LAUSCHE

OKLAHOMA
ROBERT S. KERR
A.S. MIKE MONRONEY

OREGON
WAYNE MORSE
RICHARD L. NEUBERGER

PENNSYLVANIA
Hugh Scott*
JOSEPH S. CLARK

RHODE ISLAND
JOHN O. PASTORE
THEODORE F. GREEN

SOUTH CAROLINA
OLIN D. JOHNSTON
STROM THURMOND

SOUTH DAKOTA
Francis Case
Karl E. Mundt

TENNESSEE
ALBERT GORE
ESTES KEFAUVER

TEXAS
RALPH W. YARBOROUGH
LYNDON B. JOHNSON

UTAH
FRANK E. MOSS*
Wallace F. Bennett

VERMONT
Winston L. Prouty*
George D. Aiken

VIRGINIA
HARRY FLOOD BYRD
A. WILLIS ROBERTSON

WASHINGTON
HENRY M. JACKSON
WARREN G. MAGNUSON

WEST VIRGINIA
ROBERT C. BYRD*
JENNINGS RANDOLPH*

WISCONSIN
WILLIAM PROXMIRE
Alexander Wiley

WYOMING
GALE McGEE*
JOSEPH C. O'MAHONEY

Senate Party Lineups

The following table shows the party lineup in the Senate since 1952:

	1952	1954	1956	1958	1959
Democrats	47	49	49	64	65
Republicans	48	47	47	34	35
Independents	1				

CHAIRMEN, RANKING MEMBERS OF COMMITTEES

Congressional custom dictates that the Member with the most previous service on a committee becomes its chairman when his party commands a majority in the chamber as a whole.

The ratio of Democrats to Republicans on each committee is fixed at the beginning of the Congress by the party leadership.

The Democrats retained control of both chambers of Congress in the 1958 Congressional election and, consequently, organized the committees and appointed the committee chairmen for the 86th Congress.

Following is the list of committee chairmen (in capitals) and ranking minority members for the 1960 session of the 86th Congress, with their ages as of Jan. 1, 1960. (Note: Members of Congress who are high ranking on several committees sometimes voluntarily relinquish seniority rights on all but one committee.)

House Committees

Agriculture -- HAROLD D. COOLEY (D N.C.), 62; Charles B. Hoeven (R Iowa), 64.

Appropriations -- CLARENCE CANNON (D Mo.), 80; John Taber (R N.Y.), 78.

Armed Services -- CARL VINSON (D Ga.), 76; Leslie C. Arends (R Ill.), 64.

Banking and Currency -- BRENT SPENCE (D Ky.), 85; Clarence E. Kilburn (R N.Y.), 66.

District of Columbia -- JOHN L. McMILLAN (D S.C.), 61; James C. Auchincloss (R N.J.), 74.

Education and Labor -- GRAHAM A. BARDEN (D N.C.), 63; Carroll D. Kearns (R Pa.), 59.

Foreign Affairs -- THOMAS E. MORGAN (D Pa.), 53; Robert B. Chiperfield (R Ill.), 60.

Government Operations -- WILLIAM L. DAWSON (D Ill.), 73; Clare E. Hoffman (R Mich.), 84.

House Administration -- OMAR BURLESON (D Texas), 53; Paul F. Schenck (R Ohio), 60.

Interior and Insular Affairs -- WAYNE N. ASPINALL (D Colo.), 63; John P. Saylor (R Pa.), 51.

Interstate and Foreign Commerce -- OREN HARRIS (D Ark.), 56; John B. Bennett (R Mich.), 55.

Judiciary -- EMANUEL CELLER (D N.Y.), 71; William M. McCulloch (R Ohio), 58.

Merchant Marine and Fisheries -- HERBERT C. BONNER (D N.C.), 68; Thor C. Tollefson (R Wash.), 58.

Post Office and Civil Service -- TOM MURRAY (D Tenn.), 65; Edward H. Rees (R Kan.), 73.

Public Works -- CHARLES A. BUCKLEY (D N.Y.), 69; James C. Auchincloss (R N.J.), 74.

Rules -- HOWARD W. SMITH (D Va.), 76; Leo E. Allen (R Ill.), 61.

Science and Astronautics -- OVERTON BROOKS (D La.), 62; Joseph W. Martin Jr. (R Mass.), 75.

Select Small Business -- WRIGHT PATMAN (D Texas), 66; William M. McCulloch (R Ohio), 58.

Un-American Activities -- FRANCIS E. WALTER (D Pa.), 65; Donald L. Jackson (R Calif.), 49.

Veterans' Affairs -- OLIN E. TEAGUE (D Texas), 49; Edith Nourse Rogers (R Mass.), 78.

Ways and Means -- WILBUR D. MILLS (D Ark.), 48; Richard M. Simpson (R Pa.), 59.

Senate Committees

Aeronautical and Space Sciences -- LYNDON B. JOHNSON (D Texas), 51; Styles Bridges (R N.H.), 61.

Agriculture and Forestry -- ALLEN J. ELLENDER (D La.), 68; George D. Aiken (R Vt.), 67.

Appropriations -- CARL HAYDEN (D Ariz.), 82; Styles Bridges (R N.H.), 61.

Armed Services -- RICHARD B. RUSSELL (D Ga.), 62; Leverett Saltonstall (R Mass.), 67. (Styles Bridges actually is the highest ranking Republican on the Armed Services Committee; however, because of his position on the Appropriations Committee, Bridges has waived his seniority on the Armed Services Committee in favor of Saltonstall.)

Banking and Currency -- A. WILLIS ROBERTSON (D Va.), 72; Homer E. Capehart (R Ind.), 62.

District of Columbia -- ALAN BIBLE (D Nev.), 50; J. Glenn Beall (R Md), 65.

Finance -- HARRY FLOOD BYRD (D Va.), 72; John J. Williams (R Del.), 55.

Foreign Relations -- J.W. FULBRIGHT (D Ark.), 54; Alexander Wiley (R Wis.), 75.

Government Operations -- JOHN L. McCLELLAN (D Ark.), 63; Karl E. Mundt (R S.D.), 59.

Interior and Insular Affairs -- JAMES E. MURRAY (D Mont.), 83; Henry C. Dworshak (R Idaho), 65.

Interstate and Foreign Commerce -- WARREN G. MAGNUSON (D Wash.), 54; Andrew F. Schoeppel (R Kan.), 65.

Judiciary -- JAMES O. EASTLAND (D Miss.), 55; Alexander Wiley (R Wis.), 75.

Labor and Public Welfare -- LISTER HILL (D Ala.), 65; Barry Goldwater (R Ariz.), 51.

Post Office and Civil Service -- OLIN D. JOHNSTON (D S.C.), 63; Frank Carlson (R Kan.), 66.

Public Works -- DENNIS CHAVEZ (D N.M.), 71; Francis Case (R S.D.), 63.

Rules and Administration -- THOMAS C. HENNINGS JR. (D Mo.), 56; Carl T. Curtis (R Neb.), 54.

Select Small Business -- JOHN J. SPARKMAN (D Ala.), 60; Leverett Saltonstall (R Mass.), 67.

Joint Committees

Atomic Energy -- SEN. CLINTON P. ANDERSON (D N.M.), 64; chairman; Rep. Carl T. Durham (D N.C.), 67, vice chairman; Sen. Bourke B. Hickenlooper (R Iowa), 63; ranking minority Senate member; Rep. James E. Van Zandt (R Pa.), 61, ranking minority House member.

Defense Production -- REP. PAUL BROWN (D Ga.), 79, chairman; Sen. Homer E. Capehart (R Ind.), 62, vice chairman; Rep. Gordon L. McDonough (R Calif.), 64, ranking minority House member.

Economic -- SEN. PAUL H. DOUGLAS (D Ill.), 67, chairman; Rep. Wright Patman (D Texas), 66, vice chairman; Sen. Prescott Bush (R Conn.), 65, ranking minority Senate member; Rep. Thomas B. Curtis (R Mo.), 48, ranking minority House member.

Internal Revenue Taxation -- SEN. HARRY FLOOD BYRD (D Va.), 72, chairman; Rep. Wilbur D. Mills (D Ark.), 48, vice chairman; Rep. Richard M. Simpson (R Pa.), 59, ranking minority House member; Sen. John J. Williams (R Del.), 55, ranking minority Senate member.

LEGISLATIVE OUTLOOK FOR 1960 SESSION

Six months of intensive work and partisan debate await the 86th Congress as it convenes Jan. 6 for its second session. Many items on the agenda concern legislation on which a start was made during the 1959 session. Others involve Presidential requests previously ignored and due to be repeated. Few strictly new issues are anticipated, and a number of pet legislative projects may be doomed to inaction by the rush to adjourn before the Democratic convention opens on July 11.

The record of the 1960 session will be shaped by many influences, not the least of which is the political jockeying and maneuvering that always precedes the quadrennial Presidential election. In the final analysis, however, the character of the debate and the quality of the product will be strongly influenced by two major factors -- one external, one internal.

1. International affairs will claim the attention of President Eisenhower during much of the session. Before election day he is scheduled to attend a summit meeting, to tour Latin American and the Far East, and to visit Russia. His motive in each instance -- the pursuit of peaceful solutions to outstanding problems -- appears certain to dominate his thoughts during his last year in office. This fact, together with actual developments on the international scene, is bound to color the Congressional response on a number of leading issues.

2. Secondly, the Democratic majority in Congress will face the question of resolving an issue of political strategy. This is whether to follow a course of accommodation with the Republican Administration, as "the party of responsibility," or whether to court a host of vetoes in the interests of projecting a sharply-defined "Democratic image" before the election. To a large extent, the choice will rest with Senate Majority Leader Lyndon B. Johnson, himself a candidate for the Democratic nomination, and his campaign manager, House Speaker Sam Rayburn -- two Texans identified in the past as champions of accommodation.

Following is a checklist, in summary form, of the legislative issues most likely to be taken up in 1960, arranged in random order under five broad headings.

Fiscal Affairs

• **Budget** -- President Eisenhower's budget for fiscal 1961, to be revealed about Jan. 18, will contain most of his legislative recommendations. It is expected to project expenditures of $81 billion and receipts of $83 billion, leaving a surplus for debt retirement. The President will again ask for authority to veto individual items in appropriation bills and urge Congress to revamp its procedures for handling the budget. Neither proposal will receive much attention. (See p. 9)

• **Taxes** -- The President will oppose an election-year tax cut, and Democratic leaders are likely to go along. But several tax fights are in store, notably over requests to up the gas tax by one-half cent per gallon (it was raised from 3 cents to 4 cents in 1959) and to postpone for another year scheduled reductions in the corporation income and certain excise tax rates. A basic reform of the entire tax code, under study by House Ways and Means, won't be completed until 1961. (See p. 9)

• **Postal Rates** -- The President will repeat his 1959 request for a 1-cent increase in the first-class rate and may ask for a 1-cent boost in the air mail rate as well, to help offset a projected Post Office deficit of $650 million. If Congress again refuses to act, as appears probable, the projected budget surplus for 1961 will be smaller. (See p. 9)

• **Debt Management** -- A major debate over Administration fiscal and monetary policies is in store when the President again presses his demand that Congress remove the 4.25 percent ceiling on the interest the Treasury may offer on its long-term bonds. Democrats are primed to blame the Administration for encouraging the rise in interest rates that has plagued the Treasury's debt managers. But the odds are better than even that Congress will comply in the end. Little if any trouble is anticipated for a related request: another temporary increase in the public debt limit (which reverts to $285 billion on July 1, 1960) to cover seasonal needs. (See p. 10)

National Security

• **Defense Spending** -- Air Force plans to all-but-scrap the B-70 "chemical" bomber and to stretch out the B-58 medium bomber program while retiring B-47s, in order to remain within the President's over-all $41-billion ceiling, ensure as heated a debate in 1960 over a "bomber gap" as occurred in 1959 over the "missile gap." Other sore points: the Administration's refusal to support expansion of Army limited-war capabilities, and to start work on a nuclear-powered carrier authorized in 1959. Whether Congress winds up by voting more or less money than the President wants, Democrats are certain to make the most of their "budget before security" charge against the Administration. (See p. 11-13)

• **Military Aid** -- In 1960, for the first time, the Military Assistance Program (MAP), formerly handled in the mutual security bill, will be included in the defense appropriation bill. In 1959 the President asked for $1.6 billion for MAP and got $1.3 billion. He may ask for more in 1960 (the Draper Committee recommended $2 billion). Whatever the sum, Congress will cut it. (See p. 13)

• **Military Organization** -- More will be heard in 1960 of the need for greater unification of the armed forces to eliminate waste and duplication, but Congress is not expected to force the issue unless the President takes the initiative, which appears unlikely. The Senate and House Armed Services Committees will review progress achieved since passage of the military reorganization law of 1958, however, with specific reference to the transfer of certain functions relating to space. (See p. 11-13)

• **Space Program** -- The President is expected to ask for $800 million for the National Aeronautics and Space Administration, for which Congress approved $500

million in 1959. With the U.S. program lagging behind that of the Soviets, particularly in the rocket booster field, Democrats on the Senate and House Space Committees want a full-scale inquest of the NASA program. (See p. 11)

• **Defense Production** -- The Defense Production Act of 1950 expires on June 30, 1960 and must be renewed or revised. It gives the President legal authority to establish priorities for defense contracts, allocate scarce materials and guarantee defense loans.

Foreign Affairs

• **Foreign Policy** -- The President's heavy foreign policy schedule in 1960 will be paralleled, to some extent, by that of the Senate Foreign Relations Committee, which is winding up two major studies -- one of foreign policy in general, one of U.S. relations with Latin America. The Committee also will follow closely progress of the nuclear test-ban talks in Geneva and of the new U.N. Disarmament Commission.

• **Foreign Aid** -- The President will ask Congress to authorize more than $2 billion for the non-military portions of the Mutual Security Program in fiscal 1961, covering defense support, special assistance, technical assistance and the Development Loan Fund. Three major controversies are in store: over DLF's "tied loan" policy, over plans to be submitted by the Administration (at the direction of Congress) for the progressive reduction of non-military grant aid, and over House action on a Senate-passed bill easing restrictions on aid to Communist satellite nations. Congress will comply readily, on the other hand, with the President's proposal for U.S. participation in the International Development Assn.

• **Trade Policy** -- Foreign trade, the subject of a major investigation by the Senate Interstate and Foreign Commerce Committee, is expected to win considerable attention from Congress in 1960, in the light of the U.S. balance-of-payments deficit. Two important trade laws, moreover, will be up for extension: the Sugar Act, involving U.S. relations with Cuba and the Philippines, and the Export Control Act, covering Communist bloc sales. (See p. 30)

• **Passports** -- At Administration request, the House in 1958 and again in 1959 passed legislation authorizing the Secretary of State to deny passports to U.S. citizens in the interests of national security, but the Senate failed to act. Whether a new passport law will emerge in 1960 is in some doubt.

Civil Benefits

• **Aid to Education** -- Democrats who favor a generous program of Federal aid for school construction are divided over the best course to follow. In the Senate, a bill (S 8) providing $500 million a year for two years in matching grants to the states is already on the calendar. Some Democrats, however, would prefer to see a bigger bill passed, on the theory that after it was vetoed enactment of S 8 would follow more readily. In the House, on the other hand, there is some support for accepting the Administration's offer to modify slightly its long-term bond assistance proposal of 1959. In addition to the school construction issue, Congress will grapple with the question of repealing the loyalty affidavit proviso inserted in the National Defense Education Act of 1958, which has caused a score of leading colleges to withdraw from the student loan program. (See p. 18)

Expiring Legislation

These major laws or legislative provisions expire in 1960 unless Congress extends them:

• Export Control Act of 1949, extended in 1958 by PL 85-466 for two years; expires June 30, 1960.

• Mutual Security Act of 1954, extended and amended in 1959 by PL 86-108; expires June 30, 1960.

• Temporary increase of $10 billion in the public debt limit, authorized in 1959 by PL 86-74; expires June 30, 1960.

• Defense Production Act of 1950, extended in 1958 by PL 85-471; expires June 30, 1960.

• Current corporation normal tax rate and certain excise tax rates, extended in 1959 by PL 86-75; expires June 30, 1960.

• Veterans' Administration's direct-loan and guaranteed-loan programs for World War II veterans, extended in 1958 by PL 85-364; expires July 25, 1960.

• Federal Housing Administration's authority to insure home improvement and modernization loans, extended in 1959 by PL 86-372; expires Oct. 1, 1960.

• Sugar Act of 1948, extended in 1956 by PL 84-545; expires Dec. 31, 1960.

• Secretary of Agriculture's authority to enter contracts to retire cropland under the Conservation Reserve Program, extablished in 1956 by PL 84-540; expires Dec. 31, 1960,

• **Housing** -- Still stinging from the President's vetoes of two omnibus housing bills in 1959, Democrats are hoping to send him another large package in 1960 with more funds for urban renewal, public housing, veterans' direct loan, and FNMA special assistance programs. The Administration, for its part, is expected to recommend postponing another omnibus bill until 1961, on grounds that present authority is sufficient to see the various housing programs through the year.

• **Depressed Areas** -- Congress is expected to take final action early in the session on the area redevelopment bill (S 722). As passed by the Senate in 1959, it provided $390 million in loans and grants for industrial and rural areas suffering from chronic unemployment and poverty. The House Banking and Currency Committee trimmed this to $251 million -- still five times what the President had recommended. Having vetoed a similar measure in 1958, he is expected to do it again in 1960. (See p. 25)

• **Health** -- Another bill facing strong Administration opposition is HR 3610, stepping up Federal grants to communities under the Water Pollution Control Act of 1956. As passed by the House in 1959, it doubled the program to $100 million a year. The Senate's version set the figure at $80 million. In either form, the bill is certain to be vetoed. Less controversy is expected, however, over another health matter -- appropriations for the National Institutes of Health. Congress boosted the President's request by $106 million in 1959, to $400 million; now the Administration is reported to have agreed to accept the higher figure in 1960.

• **Social Security** -- Having voted for improvements in social security in the past five election years, Congress is expected to do so again in 1960, with the accent on assisting elderly persons to meet the high costs of medical care. The major bone of contention is the Forand bill, which would incorporate health insurance in the Old Age

and Survivors Insurance program. The Administration, long opposed to any Federal health insurance program, has indicated it may be prepared to compromise, but there's no assurance that agreement will be forthcoming. This battle starts in the House Ways and Means Committee. (See p. 22)

• **Farm Program** -- What to do about the Government's mounting store of surplus crops and the farmer's falling income is one of the key issues facing Congress and the Administration in 1960. Secretary of Agriculture Ezra Taft Benson wants a free hand to fix price supports in terms of market prices; Democrats favor high, parity-based supports or a system of direct payments. Long a political football, the farm problem is not expected to yield to a legislative solution in 1960. More funds will be voted, however, for the Conservation Reserve Program under which farmers are paid to take acreage out of production for extended periods. (See p. 14)

• **Water Resources** -- President Eisenhower's single defeat since taking office came in 1959 when Congress passed a public works appropriation, over his veto, containing funds for unbudgeted flood control, navigation, and reclamation projects. In 1960 the Administration is expected to relax its "no new starts" policy, but there is bound to be argument over the scope and pace of the Federal water programs. A House-passed bill (HR 7634) authorizing $637 million for such projects awaits action by the Senate.

• **Veterans' Benefits** -- Over Administration opposition, the Senate in 1959 passed a bill (S 1138) extending readjustment benefits such as guaranteed home loans to veterans who entered the armed services after Jan. 31, 1955, the cut-off date under the Korean GI bill. The measure faces an uncertain fate in the House.

• **Atomic Power** -- Democrats on the Joint Atomic Energy Committee continue to be at odds with the Administration, and the Budget Bureau in particular, over the pace of the Atomic Energy Commission's program for developing economic nuclear power. Mounting costs have dampened the early enthusiasm of private industry for getting in on the ground floor; more rapid progress, it is agreed, will require either Government subsidies or AEC construction of demonstration power reactors. AEC prefers the first course, Democrats the second. Another clash looms when the Joint Committee acts on AEC's annual construction authorization bill.

• **Youth Corps** -- By a narrow 47-45 vote the Senate in 1959 passed a bill (S 812) to create a Federal Youth Conservation Corps of 150,000 men between the ages of 16 and 21, to work on Federal and state conservation projects, at an estimated cost of $375 million a year. Opposed by the Administration, the bill is expected to encounter trouble in the House.

Federal Regulation

• **Steel Strike** -- In the absence of a contract settlement between the steel industry and the United Steelworkers before the injunction issued under the Taft-Hartley Act expires on January 26, Congress faces the challenge to write a new national-emergency strike law. Secretary of Labor James P. Mitchell has proposed giving the President power to appoint a fact-finding board before, rather than after, a strike begins. Sen. John F. Kennedy (D Mass.) has suggested that, unless labor and management can work out new procedures to avoid crippling strikes, the President should be given full power to step in with a variety of measures. Others have called for compulsory arbitration. What kind of a law -- if any -- emerges in 1960 remains to be seen.

• **Civil Rights** -- Liberals in both parties agreed to forego new civil rights legislation in 1959 on the strength of Sen. Johnson's promise that the Senate in the 1960 session could start debate on Feb. 15. By then, it was hoped, the House will have pried loose and passed a bill (HR 8601) now lodged in the Rules Committee. Among a number of controversial amendments certain to be offered in the Senate, the key one would empower the Attorney General to file civil suits in all types of civil rights cases. Another, proposed by the Civil Rights Commission, would provide for the appointment of Federal voting registrars under certain circumstances. Southern Members are prepared to wage a last-ditch fight against both. (See p. 27)

• **Unemployment Compensation** -- Long-debated plans for establishing minimum Federal standards for the state-operated unemployment insurance program and for extending coverage to millions of additional workers will be pushed again in 1960, with an extra boost from the forthcoming report of the Senate's Special Committee on Unemployment Problems. But the opposition to Federal standards in any form is substantial, in Congress as well as the Administration. First move is up to the House Ways and Means Committee, which was unable to agree on a bill in 1959. (See p. 26)

• **Minimum Wage** -- The Administration will also oppose a bill (S 1046), awaiting approval by the Senate Labor and Public Welfare Committee, that would raise the minimum wage in interstate commerce from $1 to $1.25 per hour and bring 10 million additional workers under the Fair Labor Standards Act. Labor Secretary Mitchell wants instead a bill (S 1967) extending coverage to 2.5 million additional workers but making no change in the minimum wage. Outcome of this dispute is in some doubt.

• **Antitrust** -- Two antitrust measures passed by the Senate in 1959 await House action in 1960. S 716 would authorize the Attorney General to compel any business to produce documentary evidence for examination in a civil investigation; S 1062 would strengthen Federal regulation of bank mergers. The President is expected to ask once more for a pre-merger notification law empowering the Justice Department to review proposed mergers involving companies with $10 million or more in capital. But the Administration will oppose a "fair trade" bill (HR 1253), reported to the House in 1959, that would permit manufacturers to sue in Federal court to enforce stipulated prices. Finally, the Senate Judiciary Antitrust and Monopoly Subcommittee will continue its investigation of the drug industry in 1960.

• **"Court Bills"** -- Several bills designed to overrule or modify a series of Supreme Court rulings were passed by the House in 1959 but shunted aside in the Senate. Notable among these were HR 3, modifying the doctrine of Federal preemption; HR 2369, amplifying Smith Act definitions of proscribed Communist activities; and HR 4957, dealing with the admissibility of confessions in cases of delayed arraignment. The Justice Department opposed HR 3, supported the other two bills. What happens to them in the Senate in 1960 depends, to some extent, on the outcome of the civil rights battle.

• **Clean Elections** -- Election-year pressures will be exerted against, as well as in behalf of, a bill (S 2436) reported to the Senate in 1959 to overhaul the Federal Corrupt Practices Act of 1925. It would increase political campaign spending limits and revise reporting requirements. The outlook: "iffy."

CQ Fact Sheet **On U.S. Fiscal Policy**

FISCAL CONFLICT TO CONTINUE IN 1960

Fiscal and monetary issues will bulk large during the 1960 session of the 86th Congress starting Jan. 6. President Eisenhower enters his last year in office committed to balancing the Federal budget at the lowest possible level. To do so, he is expected to propose legislation respecting expenditures, revenues and fiscal-monetary policy that, in large measure, runs counter to the views of a majority of Congressional Democrats. Following are the principal areas of conflict that are likely to emerge.

The Budget

The President's budget for fiscal 1961 -- the year beginning July 1, 1960 -- is expected to propose expenditures of about $81 billion and estimate receipts of about $83 billion, leaving about $2 billion to be applied to reducing the national debt. The budget is also expected to project a slight surplus for fiscal 1960, although at a slightly lower level than was forecast by the Administration in September. Then receipts were estimated at $79 billion and expenditures at $78.9 billion. Receipts were later revised downward because of the steel strike; to avoid a prospective deficit, steps were taken to slow down spending by a commensurate amount.

Most of the more than $2 billion increase expected in fiscal 1961 expenditures over those of fiscal 1960 will reflect higher outlays for previously authorized programs over which neither Congress nor the Administration can exercise much control in the short run. These include programs covering space, civil aviation, medical research, public assistance, foreign development loans, and veterans' pensions. Increases are also anticipated in the cost of the farm program and of interest payments on the national debt.

Because of these "built-in" increases, the President may be expected to amplify his arguments of 1958 and 1959 against the inauguration or expansion of Federal programs that would lead inevitably to higher spending in future years, and to repeat his proposals for revising certain programs in such ways as to reduce their cost to the Federal Government in the future. This was the line developed by Budget Director Maurice H. Stans, in a Dec. 1 speech before the Tax Foundation, in which he said that "the only way to cut back the level of the budget is to look to the Congress to modify laws that are already on the books."

According to Stans, 18 such proposals were included in the President's budget for fiscal 1960, and Congress acted on only three, with the effect in each case of increasing rather than decreasing future spending. Typical of the issues involved was the President's request that the Federal share in the cost of urban renewal programs be cut from one-half to one-third. Congress not only refused to change the formula; the legislators voted for a substantially larger program.

President Eisenhower is certain to renew a number of similar requests designed to shift some of the Federal Government's spending burden to state and local governments, but there is little prospect that a Congress increasingly attuned to urban problems will cooperate. In 1959, for example, the President asked Congress to trim the ten-year water pollution control program from $50 million to $20 million a year, and to turn it over to the states in toto next year. Instead, the House passed a bill (HR 3610) doubling the program to $100 million a year; the Senate's version called for $80 million. Thus the form in which the bill is likely to be sent to the White House early in 1960 almost certainly guarantees that the measure will be vetoed.

Revenues

Recent experience suggests that an estimate of budget receipts (exclusive of trust fund receipts) of $83 billion in fiscal 1961, based on the current revenue structure, would be consistent with a gross national product of $500 billion in 1960, the figure now being projected by many economists. Nevertheless, the President is expected to press for action on several measures designed to maintain or increase Federal revenues from a number of sources. Congress, for its part, may take the initiative on a number of other tax matters. The major "income" questions of 1960 are as follows:

Tax Reform: Both the Administration and Democratic leaders in Congress will resist the election-year lure of a general tax cut, largely because any meaningful reduction would cost the Treasury $3 billion or more and result in a substantial deficit. The House Ways and Means Committee has, in any event, embarked on the more basic, complex and delicate mission of wholesale tax reform. But Chairman Wilbur D. Mills (D Ark.) announced Dec. 18 that it would take at least another year to draft a new revenue code. Mills may therefore be expected to oppose action in 1960 on a number of selective tax proposals that run counter to the broad principles toward which the Committee's reform project is aimed.

Additional Revenue: Congress took no action in 1959 on four revenue measures requested by the President in his budget for fiscal 1960, as follows:

- Revise rules for computing percentage depletion allowances to insure that they are limited to mining processes.
- Enact corrective legislation relating to taxation of cooperatives.

(The Treasury estimated that these two measures would yield an additional $50 million to $100 million.)

- Raise the Federal excise tax on aviation gasoline from 3 cents to 4½ cents per gallon and levy a new 4½ cent tax on jet fuels, to yield an additional $50 million.
- Revise postal rates to bring in an additional $350 million in fiscal 1960.

The President is expected to renew these requests, possibly in revised form. For example, Postmaster General Arthur Summerfield Dec. 17 said that in addition to asking for an increase in the rate on first-class mail

from 4 cents to 5 cents per ounce the Administration "probably will seek" a 1-cent boost in the air mail rate, to 8 cents. The Post Office deficit amounted to more than $600 million in fiscal 1959, he said. But the odds are against Congressional approval of higher postal rates in 1960.

Highway Finances: In 1959 the President asked Congress to raise the Federal excise tax on automotive gasoline from 3 cents to 4½ cents per gallon for five years in order to cover an anticipated deficit in the Highway Trust Fund. After much delay, Congress approved an increase of 1 cent, to be effective for 21 months. Additional revenue will have to be found in 1960 unless allocations to the states are to be cut or the Trust Fund's "pay-as-you-go" requirement is to be suspended. But there is disagreement over whether to raise the gas tax once more or to divert the necessary money from the general fund to the Trust Fund. Neither Congress nor the Administration, however, will undertake to deal with the long-range problem of financing the Interstate Highway System to completion. Action in this area will await the completion of a Treasury Department study of the Trust Fund's revenue structure and a Bureau of Public Roads study of projected construction costs, both of which will be due in January 1961.

Extension Bill: In each of the past six years, Congress has agreed to the President's request that reductions scheduled in the corporation income tax rate and certain excise tax rates be postponed for one more year. But the legislation, which is always taken up at the last possible moment to discourage amendments, has run into increasing trouble in the Senate, where Democrats have pressed various proposals for shifting the tax burden by closing so-called tax "loopholes" while increasing the $600 personal exemption or repealing certain excise taxes.

In 1958 the Senate beat off a number of such amendments offered as anti-recession tools, but Congress finally approved one repealing the 3 percent tax on the transportation of freight, at an estimated cost of $485 million a year. In 1959 the Senate approved three changes: immediate repeal of the 4 percent tax credit allowed on dividend income exceeding $50 and of the 10 percent tax on passenger travel, and repeal a year later of the tax on communications. The House refused to go along, however, and the only changes contained in the bill as enacted provided for repeal of the 10 percent tax on local telephone service and for cutting the tax on passenger travel to 5 percent, both effective July 1, 1960.

The President will again ask Congress to postpone the scheduled rate reductions and, possibly, to rescind the two changes approved in 1959. Democrats are confident that the Senate again will vote to repeal the dividend tax credit. The final outcome will hinge on the decisions of the Democratic leadership. At a minimum, debate over the tax extension bill and proposed amendments promises to be intense, coming as it will on the eve of the national political conventions.

Other Taxes: At least four other tax matters can be anticipated in 1960, each of which involves considerable disagreement among the parties concerned. Proposed improvements in social security benefits and unemployment compensation payments, each financed out of trust funds, would require additional taxes. HR 5, a bill awaiting approval by the Ways and Means Committee, would provide tax incentives for foreign investment at considerable cost to the Treasury. Another bill (HR 10), passed by the House in 1959, would permit self-employed persons to defer income tax payments on money put into retirement funds, again at heavy cost to the Treasury. The Administration is expected to oppose all of these proposals unless they are watered down considerably.

Debt Management

Congress in 1959 agreed to raise the statutory ceiling on the interest rate the Treasury may offer on Series E and H savings bonds from 3.26 to 4.25 percent, but refused to remove the 4.25 percent ceiling on long-term marketable bonds, as the President had requested. He will renew his request in 1960, and a general debate on interest rates will ensue.

Removal of the long-term interest rate ceiling is essential, the Administration contends, if the Treasury is to be able to stretch out the shortening maturity of the public debt by refunding short-term obligations with long-term bonds. This, in turn, is necessary to avoid the inflationary effects of borrowing from the commercial banks, the chief source of short-term funds, for which the Treasury may offer whatever rate the market requires. (The rate on three-month bills reached 4.5 percent in December.) With corporate bond yields approaching 5 percent, there is no market for Government bonds that would yield substantially less.

Democrats are divided on the question of removing or raising the interest ceiling on long-term bonds. Many of them feel that the Administration is itself responsible for rising interest rates, and that the action now proposed would lead to a further increase, with harmful effects to the economy and to lower income groups in particular. Nor do they see how it would serve to cut the cost of servicing the debt (estimated at $9 billion in fiscal 1960) to refund one- to five-year obligations paying from 3 to 5 percent interest with long-term bonds paying 4.5 percent or more.

The Government's role in influencing interest rates through the refunding operations of the Treasury and the open market operations of the Federal Reserve System will receive critical attention in the forthcoming report of the Joint Economic Committee on its "Study of Employment, Growth, and Price Levels," due Jan. 31. In the end, however, Democratic leaders are likely to conclude that they have more to lose than to gain if they again refuse to grant the President's interest-ceiling request. Having called their refusal to act in 1959 "one of the most serious things that has happened to the United States in my time," he will be prepared to exert his full power and influence in behalf of the proposal, which in any event is simpler to justify than to oppose.

Debt Ceiling: Congress will have to take further action in 1960 on the statutory limit placed on the size of the public debt, even if the Administration manages to balance the fiscal 1960 budget and to realize a surplus in fiscal 1961. The reason is that the ceiling, raised temporarily in 1959 to $295 billion, reverts to $285 billion on June 30, 1960. While this will be adequate as of that date, it will not suffice to cover Treasury needs during the July-December period when the Government's outgo always exceeds income. As of Dec. 16, 1959, for example, the Treasury had taken in $9.4 billion less than it had paid out since July 1, pushing the outstanding debt to $292.2 billion. So the President is expected to ask, and Congress to provide, another temporary ceiling of $295 billion.

CQ Fact Sheet **On Outlook for U.S. Defense**

DEFENSE REQUIREMENTS FACE SEVERE BUDGET STRAINS

The defense budget for fiscal 1961 is expected to provoke spirited debate on Capitol Hill in 1960. To remain below the $41-billion ceiling imposed by President Eisenhower, the armed services will be forced to liquidate some programs and pare or postpone others, steps guaranteed to raise charges in and out of Congress that national security is being jeopardized for the sake of a balanced budget.

As in prior years, much of the fuel for the forthcoming debate will be furnished by the rival services, each of which is still charged by law with responsibility for single-handedly defending the United States against all enemies. Inevitably, the competing claims of the Army, Navy and Air Force will stir up new demands for unification. But the outcome of the 1960 debate may hinge, in the final analysis, on a more subtle development: the evolving Eisenhower-Khrushchev peace campaign, and the reaction of Congress thereto.

Spending Trend

The Defense Department budget has been a subject of continuing controversy since the Eisenhower Administration introduced the "new look" concept in 1953 and proclaimed its goal of stabilizing defense spending at about $33 billion a year. That level was never reached; after rising to a postwar high of $43.6 billion in fiscal 1953 (the last year of the Korean war), defense spending dropped to $35.5 billion in fiscal 1955, then climbed each year to reach $41.2 billion in fiscal 1959.

The table shows, for the fiscal years 1953 through 1960, expenditures in millions for (1) military defense, (2) development and control of atomic energy, (3) stockpiling and defense production expansion, (4) military assistance, and (5) the total for "major national security."

	(1)	(2)	(3)	(4)	(5)
1953	$43,611	$1,791	$1,008	$3,954	$50,353
1954	40,336	1,895	1,045	3,629	46,904
1955	35,532	1,857	944	2,292	40,626
1956	35,591	1,651	588	2,611	40,641
1957	38,439	1,990	490	2,352	43,270
1958	39,062	2,268	625	2,187	44,142
1959	41,217	2,546	313	2,335	46,411
1960*	40,945	2,705	263	1,800	45,713

**Budget Bureau estimates, Sept. 1959*

Uniformed personnel dropped from 3.5 million to 2.5 million during this period, but the savings that accrued were more than matched by rising expenditures for new weapons. The Air Force in particular found itself spending huge sums to develop a variety of missile systems while at the same time purchasing ever more expensive bombers and fighters. Although appropriations generally fell short of total requests, neither the executive nor legislative branch was able to reverse the trend toward higher expenditures.

In 1957, when an "economy" wave engulfed Congress and the Administration, the legislators lopped $2.4 billion from the Defense Department appropriation request for fiscal 1958. The Capital's mood was suddenly changed, however, when the Soviets placed their first sputnik in orbit on Oct. 4, 1957. One month after reconvening in January 1958, the 85th Congress appropriated in full $1.3 billion requested by the President to speed missile development and expand air defenses.

By the time action on the fiscal 1959 defense appropriation was completed in August 1958, Congress had added $826 million to the Administration request. One year later, however, the 86th Congress ended up by appropriating $20 million less than requested, after adding substantial amounts for some programs and cutting others.

Many of the issues brought to the fore during the 1958 and 1959 debates will be thrashed out again in 1960; other points of controversy are new. Cutting across service lines, they involve opposing views on strategic weapons, air defense, limited war, military aid, and military organization.

Strategic Weapons

For years U.S. defense policy has been based on the concept of the strategic deterrent -- a force in being which, by its capability for instant and massive retaliation in the event of all-out war, serves to deter a would-be aggressor from starting such a war. The principal instrument of that policy has been and remains the Air Force's Strategic Air Command and its fleet of jet-powered, nuclear-armed bombers -- 1,200 B-47 medium bombers and 500 B-52 heavy bombers, stationed at bases around the world, with their accompanying tankers.

Late in 1959 SAC began receiving its first intercontinental ballistic missile: the Atlas, a 5,500-mile, liquid-fueled weapon of which more than 100 are scheduled to be built and deployed at air bases in the U.S. Two follow-up ICBMs are still under development: the liquid-fueled Titan and the solid-fueled Minuteman, both designed to be placed in "hardened" underground bases in the U.S. Also under development is the Navy's solid-fueled Polaris, a 1,200-mile weapon designed to be fired from submarines, nine of which are on order at $100 million apiece.

Eventually, according to present theory, these missiles will constitute the "force in being" now represented by SAC's bombers. In the interim (which may last five or more years), the Air Force is absorbing almost one-half of the defense budget, to maintain one delivery system while perfecting another. The timing, costs, and priorities associated with this situation have raised three major issues as follows:

Missile Gap: In 1959 critics of the Administration's defense budget, led by Sen. Stuart Symington (D Mo.), charged that Soviet capacity for producing ICBMs would give the U.S.S.R. a 3-to-1 lead over the U.S. within a year or two, enabling them to "wipe out our entire manned and unmanned retaliatory force" at one blow. Secretary of Defense Neil H. McElroy acknowledged the possibility of a "missile gap," but argued that overall U.S. deterrent power would continue to suffice.

Just before leaving office Dec. 1, McElroy asserted that the gap would be closed by 1963 when the U.S. would have a substantial number of Atlas and Titan missiles, delivery of Polaris-equipped submarines every four months, and a large number of B-52 bombers fitted with the 500-mile Hound Dog air-to-ground missile. But there was some question whether this schedule could be maintained in the face of the Administration's budget structures, and the "missile gap" seemed certain to figure prominently in the 1960 debate.

Bomber Gap: Late in 1959 the Air Force cancelled a program (on which $100 million had been spent) for developing special fuels for the B-70, the so-called "chemical bomber" designed to replace the B-52. Later it was revealed that the B-70 program itself, which called ultimately for 200 of the 2,000-mile-per-hour craft at a cost of $50 million or more each, had been reduced to the production of two prototypes by 1963 -- a cutback that amounted to scrapping the program.

At the same time the Air Force dropped completely the F-108 fighter-bomber program, and announced a "stretchout" in procurement of the $20-million B-58 "Hustler," the 1,300-mile-per-hour medium bomber slated to replace the sub-sonic B-47. Nevertheless, the fiscal 1961 budget was expected to provide for retiring up to five squadrons of 45 B-47s each.

Liquidation of the B-70 and F-108 programs was defended on grounds that they would be rendered obsolete before completion by the nation's growing stock of ICBMs. The decisions to slow down purchases of the already-flying B-58 and simultaneously to withdraw B-47s appeared to reflect budgetary considerations primarily; however, the Air Force was expected to justify the moves in the light of plans to continue procurement of the $8-million B-52 until SAC was equipped with 700 of them. Whether the timing of these interrelated programs was such as to create a "bomber gap" in addition to a "missile gap" was certain to be explored by Congress in 1960.

"Overkill": The Administration's adherence to the doctrines of strategic deterrence and of limited spending worked inevitably to funnel a larger portion of available funds to the Air Force and to slight the conventional forces of the Army and Navy. In an attempt to redress the balance, these services began in 1959 to promote the view that the nation's air-atomic retaliatory power was already "excessive to requirements" and added up to superfluous capacity to "overkill" any aggressor nation. Air Force rebuttals rested on the contention that the U.S. should be able to destroy "a significant part of the Soviet strategic nuclear delivery forces" -- an objective that would require pin-point destruction of Soviet missile bases.

The "overkill" thesis made no perceptible headway in 1959; its further development in 1960 is bound to be adversely influenced by the cutbacks ordered in the Air Force's B-70, B-58, and B-47 programs. But interest in the subject may be heightened by the forthcoming publication of a book by Gen. Maxwell D. Taylor, who retired as Army Chief of Staff in mid-1959. Taylor calls for a thorough reassessment of the "new look" policy and its emphasis upon massive retaliation.

Air Defense

As with strategic weapons, the cost of air defense has climbed sharply in recent years. To guard against a transpolar bombing attack, the Air Force built the Distant Early Warning (Dewline) radar system across the top of the North American continent. To replace the anti-aircraft batteries of old, the services developed ground-to-air guided missiles of increasingly greater range -- the Army's Nike-Ajax and Nike-Hercules and the Air Force's Bomarc. To tie the air defense system together, an electronic communications network called Semi-Automatic Ground Environment (SAGE) was conceived.

Justification for the billions of dollars committed to these programs rested on the presumption of an all-out attack by Soviet bombers. As it became evident that the Soviets were shifting from bomber procurement to the development of ICBMs, U.S. attention shifted to the need for a system of defense against missiles. The Army launched development of the Nike-Zeus, an anti-missile missile designed to destroy incoming ICBMS several hundred miles away from their targets. Work was begun on a Ballistic Missile Early Warning System (BMEWS) to provide a maximum alert of about 30 minutes.

During the 1959 debate over the defense budget, the Pentagon came in for severe criticism in Congress on two facets of the air defense program. One was the Defense Department's decision to continue spending substantial amounts for both the Army's Nike-Hercules and the Air Force's Bomarc, although neither of these competing missiles would be effective against ICBMs. The other bone of contention was the Department's refusal to endorse the Army's request for $700 million to begin production of the Nike-Zeus.

The interservice nature of the Hercules-Bomarc scrap prompted Secretary McElroy to say that Congress might resolve the issue by "holding our feet to the fire." Congress did just that, threatening to slash funds for both missiles, and the Defense Department hastily produced a new "master plan" for air defense calling for smaller amounts than were originally proposed for both Hercules and Bomarc, and more for research and development on Zeus. The changes were reflected in the fiscal 1960 defense appropriation as finally enacted.

Air defense is expected to stir up another argument in 1960, however. Present plans call for separate consideration of Zeus, following a series of test firings in February or March. A decision to launch production would add an estimated $1 billion to the fiscal 1961 budget. Those opposing production of the missile argue that it requires further development. Complicating the picture is the fact that the Air Force would like to squeeze the Army out of the air defense field.

Limited War

Strategic doctrine in the Army, and to a lesser extent in the Navy, has centered on the need for mobility and flexibility to cope with "brushfires" or limited wars in various parts of the world. Army commanders point to the fact that, since World War II, more than a score of such conflicts have occurred in places ranging from Korea to Indo-China to Lebanon, and that the contests have been resolved with conventional means, not with strategic air-atomic weapons.

The Army has wanted a minimum force of 925,000 men and $3 billion a year to re-equip its troops with the latest battlefield weapons. It has called for more airlift (which is provided by the Air Force) and faster water

transport. Instead, the Administration has cut the Army to 870,000 men, held its procurement requests to about $1.5 billion a year, and refused to enlarge the Air Force-supplied airlift.

The Navy's position has been somewhat equivocal, since much of its hopes for survival as a major service lie with the Polaris-armed submarine, in the strategic deterrent field. At the same time, however, the Navy has used the limited-war argument to press for wholesale replacement of its aging surface fleet with guided-missile cruisers, Forrestal-class carriers, and other modern vessels. And the Navy's assault arm, the Marine Corps, has wanted 200,000 men and more equipment funds for the same reasons as the Army. Again, however, the Administration has cut the Corps to 175,000 men and reduced the Navy's shipbuilding requests.

Congressional Democrats have been receptive to the limited-war doctrine. In 1958 Congress voted extra funds to maintain Army and Marine Corps manpower levels at 900,000 and 200,000 respectively, but the Administration refused to spend the money. In 1959 Congress appropriated extra funds for modernizing Army equipment and gave the Navy $35 million to start work on a $360-million nuclear-powered carrier. Again, the Administration balked at spending the funds and planned to ask Congress for permission to build a conventional carrier instead.

In preparing its fiscal 1961 budget, expected to run to about $9.5 billion, the Army was reportedly faced with the choice of cutting its troop strength in order to step up the re-equipment program, or accepting the same level of funding for both. It chose the latter. Similarly, the Navy agreed to substitute the cheaper conventional carrier for the atomic model and to accept other economies in its shipbuilding and conversion program, in order to fund three more Polaris submarines. The bearing of these and other decisions on the services' capacities for fighting limited wars is certain to be scrutinized closely when Congress looks at the budget.

Military Aid

Two closely-related defense matters will be reexamined in 1960 in a new light. One concerns the deployment of some 645,000 American troops abroad, including five divisions in Europe and two in Korea. The other involves the military assistance program (MAP), under which more than $20 billion worth of military "hardware" has been disbursed to U.S. allies since 1952. By order of Congress in 1959, the MAP appropriation, heretofore handled in the mutual security bill, will be included in the Defense Department money bill in 1960 for the first time.

For fiscal reasons, the Administration has been seeking ways to reduce these overseas expenditures, which in 1958 amounted to $3.4 billion. Not only is there the problem of balancing the budget; these overseas expenditures have also contributed substantially to the deficit in the U.S. balance of payments with the rest of the world, which in 1959 approached $3.6 billion.

Secretary McElroy Nov. 16 said there were no plans for the "immediate" withdrawal of U.S. forces overseas, and it appeared unlikely that any savings in this direction would be projected in the fiscal 1961 budget. McElroy added, however, that withdrawal would have to be faced "at some time." In the interim, there were signs of mounting U.S. pressure on its NATO allies in Europe, and France in particular, to step up their contributions to the joint defense effort.

The outlook for MAP was obscure. Expenditures for military assistance dropped from $4 billion in fiscal 1953 to an estimated $1.8 billion in fiscal 1960. In 1959, the Administration asked Congress for $1.6 billion for the program and got $1.3 billion. As the result of spending each year more than was appropriated by Congress, the Administration has worked the "pipeline" of unexpended funds down to an estimated $2.1 billion, as of June 30, 1960, or little more than enough to fund the program for one year in advance. Barring a further contraction of the program, the President will have to ask for at least $1.6 billion for fiscal 1961.

Congressional attitudes toward MAP are mixed. During the 1959 debate on the authorization for mutual security, the Senate Foreign Relations Committee tried, without success, to channel more military aid to NATO countries and less to other areas. In the end, however, the Committee agreed, as did Congress, to forego its annual scrutiny of the program for the next two years, by providing a blanket authorization for fiscal 1961 and 1962. MAP may therefore fare better in 1960 than it did in 1959, when Congress took two whacks at it.

Military Organization

In defense of his fiscal 1960 budget, Secretary McElroy pointed out that the Joint Chiefs of Staff had endorsed its adequacy in writing. In fact, however, the JCS had not examined the budget as a whole, and each one had serious reservations about what it provided for his own service. Congress reacted sharply, and in preparing the fiscal 1961 budget McElroy arranged to have each Chief review the budget requests of the other services as well as his own.

Even this step, however, fell considerably short of what the Bureau of the Budget would like to see. This would be a functional approach that would weigh the relative merits of similar programs lodged in two or more services -- for example, the comparative costs and military advantages of the Air Force's Minuteman and the Navy's Polaris. Such a procedure, it is argued, would serve to eliminate duplication in weapons systems and result in substantial savings.

To revamp the budget process in this manner, however, is expected to necessitate a basic change in the role of the Joint Chiefs, whose positions as spokesmen for their services effectively prevent them from giving unbiased consideration to the over-all defense budget. One proposal would separate the functions of service chief of staff and Joint Chief, by appointing retired chiefs to the JCS. Another proposal would create a single chief of staff, and effectively merge the services.

Although neither the Administration nor Congress is expected to take the initiative in forcing through a major reorganization plan in 1960, the budget debate will certainly touch upon the high costs of rivalry and duplication in the military establishment and the merits of proposed panaceas. The Air Force strongly supports the single-chief, general-staff concept, to which the Navy is bitterly opposed. Moreover, disagreement among the services is paralleled on Capitol Hill, where the Senate and House Armed Services Committees include strong partisans of separatism and of unification. As demonstrated during the 1958 fight over the President's reorganization proposals, these conflicting forces are in close balance. Any significant step toward solving the problems of military organization will await a fresh alignment of political forces, following the 1960 election.

CONGRESS RENEWS DEBATE ON FARM SURPLUSES IN 1960

Debate on American agriculture's many-sided problems is expected to increase sharply during the coming election year with major emphasis on the rising costs of Government price support programs, and their effect on production and farm prosperity in general. A $10 billion Federal investment in price-supported crops -- mainly in wheat, corn and cotton -- was estimated by July 1, 1960, as farm output continued to set records. Overall net farm income, however, declined in 1959 with a further decline predicted in 1960. Yet agriculture's total assets increased in value.

Economic Factors

Farmers continue to raise more on less land with less labor.

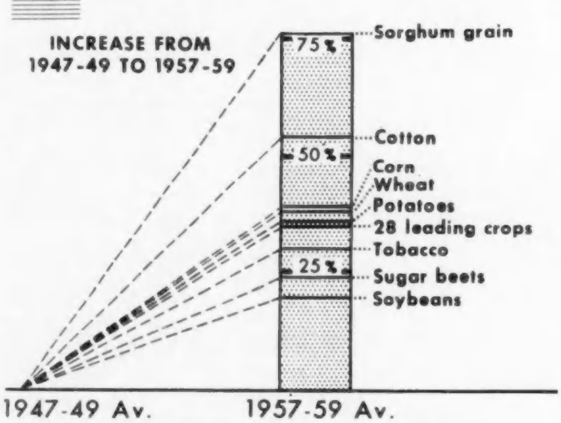
Productivity -- Recent phenomenal increases in yields per acre have been a major cause in raising total farm output at a rate of almost 2.25 percent per year during the 1950s compared with an annual increase of .5 percent in the 1920s.

Yield-per-acre increases for leading crops ranged from 20 percent to 75 percent over the last decade. Per-acre yields for corn alone -- the crop that accounts for a fourth of total crop production in the U.S. -- increased by more than 35 percent. (See chart 1)

These advances stem from Agriculture's "technological revolution," utilizing scientific and more efficient methods of farming that rely on such practices as heavy mechanization, new and more productive varieties of crops, and highly increased use of commercial fertilizers and insecticides.

Yields Per Acre

Chart 1



SOURCE: DEPARTMENT OF AGRICULTURE

Labor -- The Department of Agriculture reported that work on U.S. farms needed to produce this abundance dropped from 24 billion man-hours in 1920 to an estimated 11 billion in 1959.

Net Income -- Farmers' realized net income, as reported by the Agriculture Department at an annual rate of $11.2 billion in the first three quarters of 1959, was down 15 percent from the record high of $14.2 billion realized in 1958. The Department currently estimates a further decline of about 5 percent in 1960.

The farmer's share of the consumer's dollar also decreased from $.51 in 1947 to $.40 from 1956-58 to an estimated $.38 in 1959.

Expenses -- But production expenses continue up. Following is an index table summarizing the farmers' income and cost compared with farm output for the years 1951 through 1959.

Year	Total farm output (1910-14 = 100)	Prices paid by farmers (1910-14 = 100)	Prices received by farmers (1910-14 = 100)
1951	166	282	302
1952	173	287	288
1953	174	277	255
1954	174	277	246
1955	181	276	232
1956	182	278	230
1957	181	286	235
1958	198	293	250
1959	200*	298*	240*

*Estimate.

SOURCE: DEPARTMENT OF AGRICULTURE

Per Capita Income -- The Department of Agriculture estimated that although farm per capita income would show a slight decrease in 1959 from the record high set in 1958, it would not fall below the 1957 level.

YEAR	AVERAGE NET INCOME PER CAPITA OF - Farm population			Nonfarm population
	Agricultural Sources	Nonagricultural Sources	All Sources	All Sources
	Dollars	Dollars	Dollars	Dollars
1940	174	88	262	685
1945	554	166	720	1,312
1948	765	197	962	1,534
1950	626	212	838	1,585
1955	610	284	894	1,975
1957	665	309	974	2,102
1958	768	298	1,066	2,066

SOURCE: DEPARTMENT OF AGRICULTURE

Assets -- Farm assets, debts, and equities continued to increase in 1959. The rising value of farm real estate accounted for more than half the total increase in farm asset values. Following is a "balance sheet of agriculture" at the end of 1959.

	Estimate for Jan. 1, 1959	Estimate for Jan. 1, 1960	Percentage change
ASSETS	*Billion dollars*		
Physical assets:			
Real estate	$125.1	$128.6	+2.8%
Non-real-estate	59.0	60.2	+2.0%
Financial assets	19.0	19.4	+2.1%
TOTAL	$203.1	$208.2	+2.5%
LIABILITIES			
Real estate debt	$ 11.3	$ 12.0	+6.2%
Non-real-estate debt to:			
Commodity Credit Corp.	2.5	1.4	-44.0%
Other institutions	9.5	10.6	+11.6%
TOTAL	$ 23.3	$ 24.0	+3.0%
EQUITIES	$179.8	$184.2	+2.4%

SOURCE: DEPARTMENT OF AGRICULTURE

Price Supports

The Federal farm price support program dates back to 1933. It was originally designed as an aid to agriculture in severe economic depression. During World War II and the Korean War, the program was utilized successfully to encourage increased farm production.

In recent years, however, as production of many supported crops exceeded consumption, lower market prices necessitated greatly expanded support activity, as required by law. Many farmers, however, do not participate in the program. (See box, p. 16)

President Eisenhower, in his 1959 Economic Report, said "Actually, the majority of farm people derive little or no benefit from our agricultural price support legislation. Cattle ranchers, producers of poultry and eggs, and growers of fruits and vegetables operate their farms today practically without price supports. Only some 1.5 million of our commercial farmers are the recipients of price support outlays in any material amounts, and, within this group, those with the higher incomes are the main beneficiaries. More than 2.5 million farmers -- whose annual sales are less than $2,500 and who produce each year only about 9 percent of our marketed farm products -- receive only very small supplements, or none at all, to their incomes from Government expenditures for price supports."

Department of Agriculture spokesmen said that in many cases price supports have provided for more orderly marketing, by allowing farmers to keep their crops off the market until more favorable prices develop. In price support operations, the Government usually extends a loan to the farmer on his crop at a rate that reflects a certain percentage of parity, regardless of the current market price. The Government becomes owner of the crop if the farmer does not repay the loan within a given period.

The Department of Agriculture, in a release Dec. 4, announced that 10 of the 21 currently supported crops were receiving (as of Nov. 15) higher market prices than their respective support prices, thus "substantially" reducing support activity. The crops listed: soybeans, cottonseed, oats, barley, rye, flaxseed, dry edible beans, rice, butterfat and mohair.

Parity

The parity concept, used to determine most levels for price supports, also was first enacted in 1933. Specifically, it was designed to show the prices which would give farm products generally the same per unit purchasing power in terms of goods and services used in both production and farm family living as prevailed in the base period of 1910-14.

The 1910-14 period was selected because it was determined to be a period when the cost-price relationship was balanced favorably for the farmer.

Congress in 1948 enacted legislation that provided for a "modernized" parity formula which based support prices on an adjusted level that would maintain the same inter-commodity relationships as prevailed during the most recent 10 years.

"Market-Price" Approach

A key element of the Administration's 1959 and 1960 farm program would scrap the parity concept altogether, as the means of determining support levels and, instead, base supports on the average market price of a commodity for the immediately preceding years -- usually three. This approach, which would result in lower supports, was enacted for corn beginning in 1958. (1959 Weekly Report p. 319)

In 1959, however, Congress did not approve its application to wheat, tobacco or peanuts, as requested by the Administration. (1959 Weekly Report p. 902)

CCC and Surplus

The Government's price-support operations are administered through the Commodity Credit Corp., which also handles storage operations, supply and foreign purchase, commodity export and surplus disposal programs.

As of Oct. 31, the existing investment in Government-held stocks acquired under the program, totaled $9,225,-853,000.

Three major crops alone accounted for $7,320,976,116 of the total. These were: wheat, $3,460,951,031 -- the value of 1,433,737,635 bushels; corn, $2,362,817,657 for 1,397,763,316 bushels; upland cotton, $1,497,207,428 for 8,503,421 bales held. (See chart 2, p. 16)

While these total stocks, particularly wheat, have been labeled as exorbitant surpluses, others maintain that

References

For details on price-support legislation see: 1958 Almanac p. 269; 1954 Almanac p. 100; 1949 Almanac p. 131. For more information on farm surpluses, see Editorial Research Reports "Farm Surpluses and Food Needs," March 4, 1959.

Price-Supported Crops

Government price supports are provided currently for only 21 of the more than 200 commodities produced in the United States. For 16 commodities, price support is mandatory; that is, the law directs the Secretary of Agriculture to support prices of those commodities and specifies the ranges within which the support levels must be established. Support for the other commodities is permissive; that is, discretionary with the Secretary.

MANDATORY SUPPORTS are required for wheat, cotton, rice, tobacco and peanuts (these crops also are subject to acreage allotments and marketing quotas), corn and oats, rye, barley, grain sorghums (feed gains related to corn), and for honey, tung nuts, milk and butterfat. Support also is mandatory for wool and mohair.

PERMISSIVE SUPPORTS are provided for cottonseed, flaxseed, soybeans, dry edible beans and crude pine gum.

the Nation's real food and fiber needs, for both domestic and foreign use, have not as yet been fully determined.

A leading farm organization, The National Grange, adopted a resolution at its annual convention in November that opposed using the word "surplus" in referring to foods necessary as a security reserve, or used for school lunch, welfare, foreign, and other established programs. (1959 Weekly Report p. 1516)

Disposal

Government-held commodities are disposed of in several ways: some are sold domestically and in foreign trade, some are transferred to other Government agencies for use in the armed forces and foreign relief programs, some are bartered for strategic and critical materials produced abroad. Perishable commodities have been donated to school lunch programs, and, through welfare organizations, to needy people in the U.S. and abroad.

P.L. 480, the law under which surpluses are moved abroad, was extended by Congress in 1959 for two years with increased authorizations for major programs. (1959 Weekly Report p. 1284)

Over the six-year period July 1, 1953 through June 30, 1959, the Government disposed of $16,537,550,000 worth of commodities. The breakdown:

Domestic and export sales for dollars	$ 8,662,784,000
Sales for foreign currencies	1,892,764,000
Barter	1,707,363,000
Payment-in-kind export programs	416,068,000
Transfers and donations	3,858,571,000
TOTAL	$16,537,550,000

Senate Majority Leader Lyndon B. Johnson (D Texas), in a Dec. 7 speech in Kansas called for increased disposal of Government-held crops. He said he would find a way "to take our food out of warehouses and storage bins and put it into the hands of the earth's hungry billions.... In this world we cannot say there is a surplus of food."

The Department of Agriculture, in an information bulletin on CCC inventories said: "Some people visualize the price-support inventory as a big grocery store -- stocked with fresh fruits and vegetables, canned goods, fresh meats, preserves, and other staples. This idea is far from the reality. First, part of the inventory value is represented by commodities, such as cotton, naval stores (turpentine and other resinous products) and strategic materials, that are not foods at all. Second, many of the food commodities, such as wheat, corn, oats, and rye, are stored in raw, bulk form and require considerable processing before they can be used for food."

Increased utilization of surplus commodities also was recommended by the Administration. Its "Food for Peace" proposals, offered with the recommendation to extend P.L. 480, would have permitted grants of surplus food to underdeveloped countries for establishment of national food reserves, and also for use in economic development projects. Although approved by the House, the amendments were rejected by the Senate and further rejected in the conference version of the bill extending the law.

Wheat

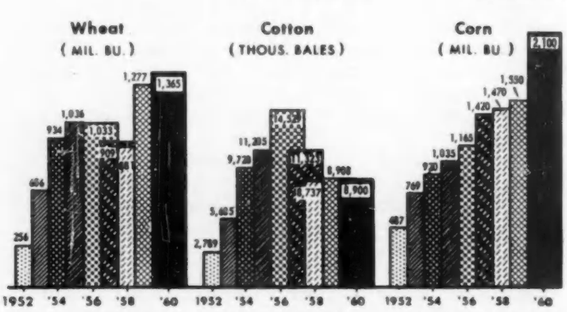
More than twice the amount of wheat consumed in the U.S. in one year is stored currently in commercial elevators (located in producing areas and terminal markets), in CCC-owned bins, and in 167 Maritime Administration ships in N.Y., Virginia and the Pacific Northwest. Estimated cost of storing, handling and interest charges on the Government-held grain was set at more than $1.25 million per day. The estimate was made by the Department of Agriculture.

Secretary of Agriculture Ezra Taft Benson, in a Nov. 20 news conference, said the net realized cost of the wheat program would continue between $600 million and $700 million per year. "In the past few years," Benson said, "wheat has represented about 30 percent of the net realized cost of farm programs, primarily for stabilization of farm prices and income, yet wheat represents six percent of total cash receipts from sales of farm

Major Government-Held Stocks

1952--1960

Chart 2



CROP YEARS BEGINNING: WHEAT, JULY 1; COTTON, AUG. 1; CORN, OCT. 1 HEIGHT OF BARS ARE PROPORTIONAL TO VALUE. 1960 BARS BASED ON PROSPECTS FOR PRODUCTION AND DISAPPEARANCE AS OF SEPTEMBER, 1959

SOURCE: DEPARTMENT OF AGRICULTURE

commodities." Benson also mentioned the "15-acre exemption" from controls provided under the existing wheat program that was "tending," he said, "to spread the wheat production clear across the country. We have increased the 15-acre farms by 116,000 in the last two years, or from a total of 538,000 in 1956 to 654,000 last year."

Wheat production is under a 55 million national minimum acreage allotment set in 1938 when yield-per-acre was considerably less than at present.

Not all classes of wheat grown in the U.S., however, are in high surplus. Hard red winter wheat, produced principally in the Southern Great Plains, comprised about 75 percent of the total U.S. carryover. Between July 1, 1958, and July 1, 1959, 80 percent of the increase in U.S. carryover was in hard red winter. Other classes, hard red spring, white and soft red winter had only moderate increases. Durum stocks decreased.

While the Southern Great Plains is the traditional area that produces hard red winter, an estimated one-half of the 15-acre wheat lots, which are east of the Mississippi, plant to that class.

Benson also said: "under the old program the wheat acreage will continue to have to be cut back in the traditional wheat growing areas, the areas of most efficient production and the 15-acre farmers or 15-acre wheat lots will continue to expand and we can't possibly go on in that direction." Benson said he "can't help but feel that the Congress will take note of it and will pass remedial legislation."

Outlook

Predictions on the enactment of new major farm legislation in 1960 are taking into account the year-long deadlock between the Eisenhower Administration and the Democratic-controlled Congress, and the fact that the Administration's announced farm program for 1960 renewed the request that supports be based on market prices instead of the parity standard. Congress in 1959 opposed discarding the standard and enacted instead wheat and tobacco bills which retained high parity-based price supports. President Eisenhower vetoed both measures as unrealistic. Congress made no attempt to override the vetoes. (1959 Weekly Report p. 916)

Less controversial recommendations -- other than proposals directly concerning price supports -- in the Administration's Nov. 10 announced farm program for 1960 included:

- An expanded Conservation Reserve Program (soil bank), with emphasis on retiring land devoted to crops currently in oversupply. Congress in 1959 provided the Administration request of $375 million advance authorization for the CRP in 1960 -- the final year of the current program. An extimated 28 million acres of cropland will be banked in long-term contracts under the CRP in 1960 compared with about 23 million signed to the program in 1959. (1959 Weekly Report p. 922).
- An expanded Rural Development Program to assist farmers in low-income areas to attain a higher standard of living. (1958 Weekly Report p. 1483)
- A vigorous "Food For Peace" program to use Government-held commodities to supplement food supplies of friendly foreign countries. (1959 Weekly Report p. 1284)
- An accelerated agricultural research program aimed at developing new markets and new uses for farm products. Both the House and Senate passed separate agricultural research bills in 1959 but final legislation was not enacted. (1959 Weekly Report p. 1196)

While the Administration basically favors an easing of Government support and control in agriculture as the way to restore balance between supply and demand, cut Federal costs and stimulate growth of commercial markets, the Democratic position is centered in programs of increased Federal aid as a basic responsibility of the Government to any trouble areas.

In a pamphlet entitled "The Democratic Approach to the Farm Problem," the Democratic Advisory Committee emphasized the need for "income security for the average farmer," and said it favored a system "which allows prices to find their own level and which makes up the farmer's income with a direct payment. This would mean that the program could be applied, without discrimination, both to storable and perishable products."

Earlier, in 1959 Benson, in a speech at Cornell University said: "I think it must be admitted that in the past there has been an over-emphasis on political approaches to farm problems which are basically economic.

"Agriculture must not be sacrificed on the political auction block. Agriculture is neither Republican nor Democrat. It is American."

"Both major parties," he said, "share responsibility for the situation in which we now find ourselves. But more important is the responsibility for getting to the solution."

In his Dec. 7 speech, Johnson said he doubted that it was possible "to enact a new farm program as long as you have Ezra Taft Benson as Secretary of Agriculture."

Farm Groups

Major farm organizations also remain divided:

The National Grange favors its own domestic parity concept applied on a commodity-by-commodity basis. Each commodity program, the Grange said, should utilize an appropriate combination of such economic devices as marketing orders or agreements, certificates, processing taxes, import duties, etc. The Government "should provide the framework for producer-managed commodity marketing programs where necessary," the Grange said, to enhance producer bargaining power and to deter the accumulation of surpluses. (1959 Weekly Report p. 1516)

The National Farmers Union advocates a strong Federal role in agriculture, in general accord with Democratic-favored programs. The NFU favored a bill (S 2502) introduced Aug. 6 by Sen. Hubert H. Humphrey (D Minn.) which included provisions for producer-chosen commodity committees to help in development of national production programs to give a "fair price" to farmers for their goods. The measure defined "fair price" as that which would yield returns on capital and labor on family farms comparable to nonfarm earnings. The programs would utilize such devices as crop loans, premium payments, surplus diversion purchases and "income-deficiency or compensatory payments direct to farmers." (1959 Weekly Report p. 1100)

The American Farm Bureau Federation remains aligned generally with the Administration in favoring gradual elimination of Government control in agriculture and return to the free market. Resolutions adopted at the AFBF convention in December renewed support for the replacement of the parity concept with the market-price formula in determining support levels, and eliminating acreage allotments and marketing quotas. (1959 Weekly Report p. 1589)

COMPROMISE SOUGHT ON SCHOOL CONSTRUCTION BILLS

Another effort will be made in the 1960 session of Congress to break the long-standing impasse over Federal aid to education. In 1959 the Administration submitted a bill (S 1016) calling for Federal payments stretched out over a period of 30-35 years to help local school districts pay off long-term school construction bonds. Northern Democrats, on the other hand, supported proposals for immediate large-scale grants to the states for school construction and teacher salaries.

Although bills (S 8, HR 22) favored by the Northern Democrats were reported in both chambers in 1959, neither got to the floor, partly because Health, Education and Welfare Secretary Arthur S. Flemming indicated several times during the year that President Eisenhower would veto any bill providing immediate large-scale grants. At the end of the 1959 session, Chairman Cleveland M. Bailey (D W.Va.) of the House Education and Labor General Education Subcommittee put his staff to work in an attempt to draft a compromise bill acceptable both to the majority of Congress and to the President. Whether that bill -- or any other -- would actually be passed and signed was still problematical as lawmakers gathered for the opening of the 1960 session.

Background

Rising school enrollment and the increasing cost of construction after World War II produced a serious shortage of school classrooms. (See box, p.19 and chart, p.21) For over a decade, there has been consistent pressure for legislation authorizing the Federal Government to help the states meet the classroom gap by providing Federal funds for school construction and teacher salaries. But opposition to Federal aid to education has been strong and, so far, has succeeded in blocking legislation. (1955 Almanac p. 265; 1958 Almanac p. 213)

Certain underlying themes recurred in Congressional and public debate on this major issue of Federal-state relationships: Would Federal aid lead to Federal control; should the Government aid private and religious schools as well as public schools; and, since 1954, should the Government aid areas that have maintained racially segregated school systems? Another problem has been how to distribute funds fairly among the states. All these themes will be debated again in 1960.

Major Proposals

These are the major bills before Congress:

• S 2, HR 22 -- As introduced Jan. 7, 1959 by Sen. James E. Murray and Rep. Lee Metcalf (both D Mont.), these bills called for a permanent program of Federal grants to the states for public school construction and teachers' salaries. Grants would be calculated on the basis of school-age population -- children 5-17 years old -- and no state matching of funds would be required. In their original form, the bills would have provided a permanent program costing the Federal Government an estimated \$4.4 billion a year, with eventual grants of \$100 per pupil annually.

HR 22 was reported June 8, 1959 (H Rept 447) by the House Education and Labor Committee, with all Committee Republicans and two Democrats -- Chairman Graham A. Barden (N.C.) and Phil M. Landrum (Ga.) -- opposed. The House Rules Committee never granted the bill a rule for floor debate.

As reported, the bill was amended to provide a four-year program with a total of \$4.4 billion in Federal grants. It authorized annual grants of \$25 per school-age child. A provision reducing a state's allotment if its "school effort index" fell below the national average guaranteed that the states would not slacken their own financing efforts because they were receiving Federal money.

If all the money provided in HR 22 were used for school construction, it would build 110,000 classrooms (the Health, Education and Welfare Department estimated the cost of building a classroom at \$40,000). The bill was written, however, with the intent that part of the funds be used to supplement teachers' salaries. (See box)

HR 22 permitted each state to decide how it would divide the funds between school construction and salaries. (some states in recent years have concentrated on building, others on raising salary levels; needs would therefore differ.) The bill did not require states to submit a state plan to the Federal Government to qualify for aid.

• S 8 -- With HR 22 blocked in Rules Committee, the Senate Labor and Public Welfare Education Subcommittee put together a different type of Federal grant bill, along the lines of President Eisenhower's 1957 education bill. (1957 Almanac p. 588) As reported by the full Labor and Public Welfare Committee Sept. 12, 1959 (S Rept 1011), S 8, sponsored by Sen. Pat V. McNamara (D Mich.), called for an emergency two-year program of Federal matching grants to the states for school construction only.

The bill authorized \$500 million in Federal payments each year and provided variable matching from \$2 Federal and \$1 local in low income states, to \$1 Federal for \$2 local in high income states. It allotted funds on the basis of per capita income, school-age population and school financing efforts. The result of these provisions would be a variable 3-1 equalization between wealthiest and poorest states -- the poorest states would receive three times as much in allocations per school-age child as the wealthiest states.

Like HR 22, S 8 did not require a Government-approved state plan. McNamara said the bill would build 75,000 classrooms (his estimate was based on costs of \$30,000 a classroom), but others said the result would be only 50,000 (based on \$40,000 a classroom).

All the Committee's Democrats and three Republicans -- John Sherman Cooper (Ky.), Clifford P. Case (N.J.) and Jacob K. Javits (N.Y.) -- voted to report the bill, but Cooper and Javits later offered their own bill. (See below)

Two School Problems

● CLASSROOM SHORTAGE -- The Nation was short 132,400 public elementary and secondary school classrooms at the beginning of the 1959-60 school year, the U.S. Office of Education reported Dec. 23. That was the number needed to handle 1,883,000 students enrolled in excess of normal classroom capacity and to replace obsolete facilities. (For breakdown by states, see chart p.21)

Despite state construction of 63,000 to 72,000 new classrooms annually since the 1955-56 school year, the over-all classroom shortage declined only slightly. Rising enrollment (enrollment jumped from about 25 million in 1948-49 to over 35 million in 1959-60) and the obsolescence of existing classrooms prevented a sizeable reduction of the backlog. Summarizing the construction situation on Dec. 23, Health, Education and Welfare Secretary Athur S. Flemming said, "We have barely been building enough schools each year to take care of annual enrollment increases and to replace classrooms that have been abandoned." Thus, while the states built 68,700 new classrooms in the 1956-57 school year, 72,100 in 1957-58 and 70,000 in 1958-59, the over-all shortage from September 1956 to September 1959 dropped by only 17,000 classrooms -- from 159,000 to 132,400.

Flemming said that while voter approval of school bond issues proceeded at a good pace ($1,230,-736,000) during the first 11 months of 1959, 55.9 percent of all bond issues between October 1953 and June 1959 were concentrated in seven states -- California, New York, Illinois, Michigan, Ohio, Texas and Pennsylvania -- with New York and California alone accounting for 27.6 percent.

● TEACHER SALARIES -- The average annual salary of teachers, principals and supervisors was $5,160 in the 1959-60 school year, according to the National Education Assn.'s "Estimates of School Statistics, 1959-60." The national average compared with earlier years:

1948-49 -- $2,846	1957-58 -- $4,720
1953-54 -- 3,825	1959-60 -- 5,160

● S 1016, HR 4268 -- The Administration, abandoning proposals of earlier years for direct aid grants, submitted a bill Feb. 9, 1959 calling for Federal-state matching grants to help needy school districts build $3 billion worth of schools -- about 75,000 classrooms. Under the bill, the districts could issue school construction bonds ($600 million worth a year for five years) maturing in 20 to 30 years, and the Federal and state governments each would provide half the funds to pay principal and interest charges on the bonds. The money would go to those districts the states decided needed assistance, and the state plan would be subject to approval by the U.S. Office of Education.

The bill required the states to establish standards to determine what would constitute a "reasonable tax effort" by each school district applying for assistance. Districts receiving assistance would then be required to exert such a "reasonable tax effort" each year for the life of their construction bonds and for 10 years after the bonds expired. If at any time during the life of bonds a district were able to raise enough money to service all or part of the debt on the bonds, the Federal-state advances for that year would be reduced proportionately or discontinued. Similarly, in the 10-year period following retirement of the bonds, the district would apply half of any excess revenues it might acquire as a result of making a "reasonable tax effort" to repayment with interest of Federal advances previously made. At the end of the 10-year period, however, any Federal advances the district was unable to repay in this manner would be forgiven. Under this plan, the Federal Government would presumably get back some of the money it laid out; however, it was expected that most of the districts receiving assistance would never be able to repay. If nothing were repaid, the total cost of the program to the Federal Government over 30-35 years would be $1.5 billion on the principal (half the principal of $3 billion in bonds) and $643 million on the interest. Annual Federal contributions therefore would not exceed $85 million in any single year of the program. Allocations to the states would be made according to a formula similar to that in S 8. The Administration bill made no provision for aid to a school district which, because it was already at its legal debt limit, was not permitted to float any new bond issues.

● S 2637 -- The Cooper-Javits bill, introduced Sept. 3, 1959, was a modified form of the Administration bill. It differed, however, in that it helped needy districts to issue $1 billion worth of bonds for four years -- a total of $4 billion in construction (about 100,000 classrooms). It too provided for joint Federal-state matching grants to help the districts meet the debt service on the 20-30 year bonds.

Unlike the Administration bill, S 2637 contained no requirement that districts receiving aid make a "reasonable tax effort" and no provision for repayment of advances made by the Federal Government. (It did provide, however, that if the states acted to require local districts to make repayments, an equal amount was to be repaid the Federal Government.)

The chief difference between the Administration proposal and the Cooper-Javits bill was that the latter made provision for aid to districts already at their legal debt limit. Such districts could receive, in the first two years of the program, a lump-sum payment from the Federal Government equal to what it would have cost the Government to meet debt service over 20-30 years if the district had floated a bond issue and then depended on the Federal Government to pay half the debt service over the life of the bonds. In effect, a district could get the whole Federal payment at once, immediately. Under the bill, such grants could go to districts designated in a state plan submitted to the Office of Education. Thus, for the first two years of the program, a state could use the Federal funds for debt retirement, for grants to needy districts or for a combination of the two.

In order to encourage states to legislate to lift debt limits and put the whole program on a bond debt-service basis, the bill provided that states that did not move to lift debt limits would receive lower allocations in the third and fourth year in the program. The reductions would be based on the size of the direct grants made in the first two years. If the states did move to raise debt limits, enabling districts that had received the lump-sum grants to float bond issues and repay the grants with the proceeds of the bond sale, the allocations would be restored.

The over-all cost to the Federal Government over the life of the program in the Cooper-Javits bill was estimated at $2 billion on the principal, plus $857 million in interest.

Because of the grant provision, the Federal contribution would be about $150 million annually the first two years, levelling off to $86 million annually in the fourth year and each year following until the bonds were paid off.

Another feature of the Cooper-Javits bill was that an index of "teacher salary support" -- the amount paid to teachers in relation to per capita income -- would help determine the matching ratio to each state. Thus, after construction was allocated on the basis of relative school effort index, this second formula would give advantageous matching to states whose teacher salary effort was higher than the national average. The variable formula applied would range from $3 Federal to $2 in states with high teacher salary support to $2 Federal to $3 in states with low teacher salary support.

It was estimated the bill would build 100,000 classrooms. A detailed state plan would have to be approved by the U.S. Commissioner of Education.

Support and Opposition

The Murray-Metcalf approach of massive, immediate Federal aid both for school construction and teacher salaries has been backed by the National Education Assn., by a sizable bloc of Northern Democrats in Congress and by many unions and "liberal" public groups like Americans for Democratic Action. It has been opposed, however, by the Administration (which also opposed S 8), by the Catholic church, which has not favored Federal subsidies for public school teachers' salaries, by "conservative" Members of Congress and by such business groups as the Chamber of Commerce of the U.S.

Backers of immediate, large-scale Federal aid argue that the Federal Government must provide money for education because the need is urgent and state governments cannot or will not meet it.

Opponents fear Federal encroachment on states' rights in education. Many (including the Administration) also think the immediate costs to the Federal Government would be too much to bear and would require Federal deficit spending. (HR 22 would add $1.1 billion annually to the Federal budget for the four years after enactment, S 8, $500 million annually for two years; the Administration bill, no more than $85 million to the budget in any one year.)

Compromise Bill Outlook

The House General Education Subcommittee staff late in 1959 drafted a compromise bill that was basically the Administration long-term debt service proposal (calling for $3 billion in bonds over five years) with the Cooper-Javits special two-year grant provision added, and with the Administration's "reasonable tax effort" provision deleted. The draft reportedly had modified the Administration bill as far as possible without inviting a veto.

Whether the compromise bill would prove acceptable both to Congress and the President was still not clear as Congress prepared to convene for 1960.

HEW Secretary Flemming, in a Dec. 23 press conference, said the Administration was continuing to back its 1959 proposal (S 1016). He declined to say whether S 8, if passed, would be vetoed, or whether the Cooper-Javits bill (S 2637) would be acceptable. He did repeat, however, that any other general approach than the Administration's "wouldn't be consistent with the President's fiscal policy." He said he would probably confer shortly with Bailey on possible modifications of the Administration bill. "The only thing we insist on is the program be spread over 20 to 30 years," Flemming said.

Many Northern Democrats, on the other hand, are deeply committed to the Murray-Metcalf bill approach. And many Democrats on both sides of Capitol Hill would like nothing better in an election year than to put a bill calling for immediate large-scale aid, and containing a Democratic label, on the President's desk, to be signed or vetoed.

For these reasons, passage of the Bailey compromise, particularly in the House, is unlikely without an attempt being made first to move HR 22 or at least S 8. Bailey has indicated he probably would not push the compromise bill if it did not have the support of the Democrats on his Subcommittee -- Frank Thompson Jr. (N.J.), John Brademas (Ind.) and Stewart L. Udall (Ariz.). These three were reportedly ready to hold out "at least for a while" for a bill along the lines of HR 22 or S 8 before considering the compromise bill.

Thompson Dec. 18 told Congressional Quarterly there would be a "concentrated effort" to bring HR 22 to the floor. A Rules Committee spokesman, on the other hand, expressed strong doubt the bill would reach the floor, and many of its backers concede privately that it has no chance of passage.

If Murray-Metcalf backers find it impossible to move HR 22, they are likely to press for passage of S 8 as the next alternative. Their probable strategy would be to attempt to hold up House action on any other bill in the hopes of early Senate passage of S 8. A top spokesman for this group told CQ that 18 of the 20 Democrats on the full House Education and Labor Committee would cooperate in such an effort until mid-February. If the Senate did pass S 8, they would then rely on House Speaker Sam Rayburn (D Texas) to stand by a reported commitment to them to get through the Rules Committee any Senate-passed aid to education bill that did not contain a provision for teachers' salaries.

Metcalf told Congressional Quarterly supporters of his bill would consider the Administration or Subcommittee bills only as a last resort at the end of the session. Administration bill proponents, on the other hand, hope for earlier than end-of-the-session consideration of an Administration-type bill and pin their hopes for success on getting a House-passed bill to the Senate before the Senate passes any other kind of bill. They believe the Senate might then be disposed to go along with the House.

Senate Moves

The education spotlight will therefore be on the Senate early in the session. S 8 is reported to be the first major legislation scheduled for floor debate in January and one spokesman said Senate Majority Leader Lyndon B. Johnson (D Texas) would work for a bill "along the lines of S 8."

Cooper and Javits will offer their bill as an amendment. Other major floor amendments expected to be offered are: aid for teachers' salaries; loans for private schools; a bill by Sen. Joseph S. Clark (D Pa.) to provide direct loans for college classrooms, which was unsuccessfully offered as part of the 1959 housing bill; and a qualification, similar to the Powell amendment of 1956, barring aid to any state operating racially segregated schools (1956 Almanac p. 411) (An anti-segregation amendment could easily prove a major stumbling block to any House action.)

SCHOOL CLASSROOM SHORTAGE, CONSTRUCTION PLANS BY STATE

This chart, released Dec. 23 by the U.S. Office of Education, gives statistics for public elementary and secondary schools for the school year 1959-60. Estimates of the need for additional classrooms were made by the states and were based on local standards that varied from state to state. "Instruction rooms" includes laboratories and shops as well as ordinary classrooms, but not lunchrooms, study halls, multi-purpose rooms or gymnasiums.

STATE OR TERRITORY	Pupils Enrolled	Classroom Teachers†	Teachers with Substandard Credentials	Pupils in Excess of Normal Capacity	Instruction Rooms Available, Sept. 1959	ADDITIONAL INSTRUCTION ROOMS NEEDED: As of Sept. 1958 Total Need	AS OF SEPT. 1959: Total Need	AS OF SEPT. 1959: For Excess Enrollment	AS OF SEPT. 1959: To Replace Old Rooms	Scheduled to be Built, 1959-60 School Year
	1	2	3	4	5	6	7	8	9	10
Alabama	775,981	25,881	5,317	90,843	23,693	11,936	6,364	3,948	2,416	1,047
Alaska	39,449	1,700	70	4,501	1,520	279	293	184	109	166
Arizona	280,369	10,312	55	38,665	8,952	1,350	1,676	1,368	308	751
Arkansas	422,060	13,889	2,383	26,049	13,867	1,200	2,197	1,001	1,196	602
California	3,230,000	111,500	10,500	45,000	108,000	7,000	4,600	1,600	3,000	10,000
Colorado	378,000	16,153	256	25,500	14,988	1,138	1,125	650	475	800
Connecticut	460,311	19,219	1,700[1]	19,451	16,294	1,064	952	634	318	707
Delaware	77,761	3,448	498	1,446	3,150	164	111	50	61	226
District of Columbia	116,587	4,197	1,000	17,199	3,742	608	626	590	36	274
Florida	919,491	35,286	432	71,503	30,474	5,043	4,791	2,403	2,388	1,799
Georgia	930,624	32,524	200	99,810	33,666	4,686	4,526	3,327	1,199	1,100
Hawaii	140,491	4,747	140	1,763	4,994	550	474	61	413	313
Idaho	155,890	6,096	1,496	9,927	6,047	693	761	330	431	195
Illinois	1,663,001	71,391	5,202	49,720	61,561	2,008	4,590	1,668	2,922	2,170
Indiana	940,000[2]	34,000	3,000	20,000	33,930	1,699	1,505	666	839	2,000
Iowa	567,253	25,184	335	30,000	19,915	1,580	1,300	1,200	100	600
Kansas[3]	458,000	20,800	----	*	*	*	*	*	*	410
Kentucky	610,992	23,057	2,574	33,073	21,766	9,222	8,618	1,106	7,512	835
Louisiana	701,000	26,750	1,630	31,950	25,062	1,974	2,003	1,278	725	1,540
Maine	197,035	8,018	359	11,087	7,515	835	770	547	223	197
Maryland	583,015	22,084	5,600	73,516	19,095	3,421	3,430	2,332	1,098	1,228
Massachusetts	829,327	33,865	691	45,960	36,480	3,353	3,132	1,532	1,600	1,200
Michigan	1,641,167	65,000	9,000	131,075	61,943	11,117	8,700	4,698	4,002	4,100
Minnesota	676,800	27,775	675	23,680	27,216	4,173	3,941	846	3,095	1,200
Mississippi	560,000	16,606	2,500	52,328	16,534	5,133	3,686	1,344	2,342	1,849
Missouri	805,000	28,980	395	44,800	27,297	4,342	4,156	1,496	2,660	1,400
Montana	142,850	6,826	500	4,540	6,805	492	572	225	347	150
Nebraska	274,262	13,853	616	8,151	14,951	652	521	300	221	461
Nevada	60,279	2,481	----	5,288	2,327	249	269	173	96	225
New Hampshire	102,421	4,375	245	4,342	4,019	339	312	145	167	192
New Jersey	1,012,000	43,500	6,400	78,512	35,506	3,500	3,728	2,887	841	1,900
New Mexico	211,334	8,396	38	15,843	7,738	2,133	1,078	502	576	358
New York	2,735,000	117,600	10,000	266,000	96,900	11,000	13,000	9,000	4,000[4]	4,000
North Carolina	1,089,742	39,402	1,726	38,505	38,599	3,706	3,412	1,412	2,000	1,533
North Dakota	130,173[5]	6,819[5]	120[5]	2,300	5,950	330	350	100	250	250
Ohio	1,832,479	68,201	5,238	39,800	65,822	2,624	2,634	1,659	975	2,867
Oklahoma	535,000	19,840	----	20,154	25,997	327	1,009	694	315	1,125
Oregon	379,699	16,053	2,190	8,825	14,987	699	694	352	342	582
Pennsylvania	1,948,985	72,715	900	68,900	68,401	*	8,135	2,750	5,385	2,208
Rhode Island	128,406	5,051	402	5,387	4,584	568	416	181	235	242
South Carolina	573,084	20,482	43[6]	21,710	20,009	1,636	1,801	789	1,012	565
South Dakota	147,778	8,148	163	5,683	8,324	707	554	283	271	171
Tennessee	779,928	28,730	1,150	10,422	24,913	3,238	2,245	363	1,882	1,047
Texas	2,084,540	78,850	4,299	115,694	72,251	5,971	4,557	3,731	826	3,098
Utah	228,826	8,242	541	14,504	7,619	829	925	492	433	565
Vermont	72,822	3,135	350	5,362	2,972	953	969	244	725	116
Virginia	820,578	30,913	2,435	69,128	28,501	4,718	4,345	2,439	1,906	1,496
Washington	609,024	26,251	2,600	30,389	23,496	1,887	2,272	1,066	1,206	836
West Virginia	451,875	16,719	1,209	21,115	16,229	2,093	2,061	738	1,323	252
Wisconsin[3]	700,000	28,100	850	1,800	31,241	379	310	60	250	1,650
Wyoming	75,488	3,740	835	1,620	3,387	150	102	54	48	90
TOTAL U.S.	35,286,177	1,366,884	98,858	1,883,000[7]	1,285,552[7]	141,900[7]	132,400[7]	[illegible][7]	66,000[4,7]	62,700
Outlying Regions										
American Samoa	5,720	267	7	454	251	32	40	18	22	15
Canal Zone	10,893	347	4	132	406	9	4	4	--	5
Guam	13,595	533	99	--	561	304	230	--	230	1
Puerto Rico	567,162	13,231	3,800	207,890	11,577	5,957	6,025	5,323	702	804
Virgin Islands	6,318	213	--	1,664	190	46	100	58	42	--

† Includes part-time teachers.

** Information not available.*

1-Connecticut classifies credentials of these teachers as "emergency but not substandard."
2-As of June 1959.
3-Excludes vocational schools.

4-Excludes New York City.
5-As of June 30, 1958.
6-For school year 1958-1959.
7-Total includes estimates for non-reporting areas.

SOURCE: U.S. OFFICE OF EDUCATION

CQ Fact Sheet **On Social Security Legislation**

SOCIAL SECURITY CHANGES DUE IN 1960

Social security legislation has a top priority in the second session of the 86th Congress. Both the Administration and Democratic leaders have pledged to seek changes that would increase benefits and widen coverage under the social security program.

This fact sheet explains the pressures on Congress for improvements in social security, familiar in an election year, and the outlook for legislation in 1960.

Legislative Background

A program for retirement pension insurance was established by the Social Security Act of 1935. Benefits for survivors of insured workers were added in 1939. Amendments in 1950, 1952, 1954, 1956, 1957, and 1958 all had the effect of extending the coverage and broadening the scope of the act. These changes have been voted in the last five election years.

The 1954 amendments, the first adopted under a Republican administration, extended coverage to 10 million persons, bringing nine out of 10 workers under the program. The 1956 amendments extended coverage to approximately 250,000 additional persons, increased Federal payments to state public assistance programs, and made women eligible for benefits at age 62 instead of 65. In 1956, Congress also established a disability program at age 50. In 1958, Congress increased benefits by about 7 percent with a minimum monthly increase of $3 and an average increase of $4.75, effective Jan. 1, 1959.

Tax increases accompanied the growth of benefits. The 1958 legislation increased social security taxes by one-quarter of 1 percent (to 2.5 percent) for employees and employers and three-eighths of 1 percent (to 3.75 percent) for the self employed, effective Jan. 1, 1959. Congress also speeded up automatic taxes increases to one-half of 1 percent every three years until 1969, beginning in 1960. (Existing law had provided for an increase every five years until 1975 when the tax would reach 4.25 percent.) The legislation also increased the annual wage base on which benefits are computed and taxes paid from $4,200 to $4,800, effective Jan. 1, 1959.

No significant floor opposition was recorded to the 1958 amendments. The bill passed the House by a 374-2 roll-call vote and the Senate by 79-0. The House agreed to Senate amendments by voice vote. President Eisenhower signed the bill into law despite misgivings about certain changes in federal public assistance payments to the states.

OASI Financing

Congress faces a problem in trying to enact further benefits without at the same time raising taxes or extending the maximum earnings base now used for determining benefits and tax contributions.

Social Security Tax Rates

This table shows the present tax rates and scheduled increases on earnings up to $4,800 a year beginning in 1958:

Calendar year	Employee	Employer	Self-Employed
1958	2-1/4%	2-1/4%	3-3/8%
1959	2-1/2%	2-1/2%	3-3/4%
1960-62	3%	3%	4-1/2%
1963-65	3-1/2%	3-1/2%	5-1/4%
1966-68	4%	4%	6%
1969 and after	4-1/2%	4-1/2%	6-3/4%

SOURCE: SOCIAL SECURITY ADMINISTRATION

The question is whether voters will countenance further inroads on pay checks. The three percent social security tax rate effective Jan. 1 means a worker earning $4,800 or more a year will pay $144 annually in social security taxes -- $24 a year or 46 cents a week more than under the old 2-1/2 percent rate. A similar amount also must be paid into the fund by the employer. Social security taxes already are scheduled to reach 9 percent of the payroll by 1969 (4-1/2 each from employer and employee) without further legislation.

Opponents of increased social security benefits can point to recent deficits in the Old Age and Survivors Insurance Trust Fund. Receipts failed to meet expenditures in fiscal 1958 for the first time since the fund was established on Jan. 1, 1940. That deficit was $216 million. The second, in fiscal 1959, was $1.2 billion. The Social Security Administration's board of trustees reported to Congress on June 22, 1959, that the fund would run an $87 million deficit for fiscal 1960, but that this deficit should be the last in the foreseeable future because of increased income expected from the 1958 tax hike.

The fund's net assets, accumulated in previous years, were about $21.6 billion on June 30, 1959. The trustees estimated the fund's assets would rise to $23.8 billion by 1964. Long-range cost estimates for the social security program, the trustees declared, indicated the program is in "approximate actuarial balance."

A more expansive view of the trust fund's future came from Seymour E. Harris, Harvard University economist, who Nov. 26 submitted to the Joint Economic Committee a study titled, "The Incidence of Inflation: Or Who Gets Hurt?"

Harris' report, prepared in connection with the committee's study of employment, growth and price levels, declared that the "current estimate" was that more than $200 billion would be in the OASI reserve by the year 2020.

Harris concluded that large reserves are greatly eroded through the process of inflation and the rise of per capita income: "Hence, there is a considerable waste here. It would be much better either to reduce the tax rate or, more sensibly, to increase benefit rates now and not build up such large reserves. In this manner the effects of inflation might be considerably neutralized." Harris also said the amount of wages subject to social security taxes should be raised to about $9,000 from the present $4,800.

The stage thus was set for a debate on effect of increased benefits on soundness of the trust fund.

Problems of the Aged

Miracles in medical science have brought long life to growing numbers of people in recent years and the trend is expected to continue. Estimated population of the United States over 65 is increasing by about one million every three years.

The Census Bureau has estimated that by 1960 there would be 15,805,000 persons 65 years old or over, or 8.8 percent of a total U.S. population of 178,479,000. Greater numbers of the older people become eligible every year for social security benefits. In June 1958 there were 8,785,000 retirement beneficiaries under the act; by September 1959 the number had reached 10,236,136.

The aged are plagued with health, financial and housing problems, according to testimony given before the Senate Subcommittee on Problems of the Aged and Aging in hearings last fall in various parts of the country. Sen. Pat McNamara (D Mich.) is chairman. Pleas were made consistently for legislation that would give some surgical, hospital and nursing care through increased Social Security taxes. The desires of the aged are highly regarded by legislators; the aged may be too old to get jobs, but they are not too old to vote.

Sidney Spector, staff director of the subcommittee, told Congressional Quarterly that the hearings had uncovered "great pressure for improved income and something for health" among the elderly. The subcommittee is scheduled to file a report by Jan. 31, 1960 with the parent Senate Labor and Public Welfare Committee.

Forand Bill

Battle site for the 1960 debate over social security legislation will be the House Ways and Means Committee, which already has held five days of hearings on a Federal health insurance bill (HR 4700) introduced by Rep. Aime J. Forand (D R.I.), second-ranking Democrat on the Committee.

Benefits initially proposed in the Forand bill are 60 days of hospitalization a year; surgical expenses in a hospital; nursing home care, providing the patient was sent there from a hospital. The hospital plus nursing home care could not exceed 120 days a year. Patients would pick their own doctors. The Federal Government would administer the program, probably through the Social Security Administration. (The bill reportedly was being revised as the 1960 session began.)

Costs of the Forand bill if in force in 1960 were estimated by the Health, Education and Welfare Department at $1.12 billion in the first year. The Forand bill calls for financing the health insurance plan by raising social security taxes one-quarter of one percent for both employer and employee. Self-employed persons would pay an extra three-eighths of one percent. Hearings on the Forand bill last July touched off spirited debate. The AFL-CIO was the measure's chief champion while the American Medical Association led forces opposing the measure.

The Ways and Means Committee is committed to consider the Forand bill in executive session early in 1960. Strategy of opponents will be to delay major consideration of a health insurance plan for the aged until after a White House Conference on Aging to be held Jan. 9-12, 1961 in Washington. This conference presumably will give recommendations for research and action benefiting older persons.

Wilbur D. Mills (D Ark.), chairman of the Ways and Means Committee, in a statement Dec. 5 advised caution on proposed changes which would raise tax rates. The Forand bill is in this category. Mills also indicated he questions the advisability of trying to enact in 1960 any across-the-board increase in monthly benefit payments.

Mills said his committee may want to consider various changes in disability insurance benefits, which presumably could be broadened without tax increases.

Listed by Mills as seven examples of some of the improvements likely to be considered and which probably could be financed without further taxation were:

- Repeal of the requirement that an otherwise eligible person must be at least 50 years old before he can qualify for disability insurance benefits.
- Removal of the six-month waiting period before benefits can be paid again to a disabled person who has tried unsuccessfully to return to work.
- Payment of monthly insurance benefits to wives and widows who are permanently and totally disabled.
- Extension of the 12-month trial work period so that it would cover not only persons drawing disability insurance benefits but those in all types of rehabilitation programs.
- A provision whereby persons reaching retirement age could qualify for old age insurance benefits with fewer quarters of coverage than now required by the law.
- Extension of coverage to various groups which have indicated a desire to be included in the social security program.
- Correction of various minor inequities and administrative matters.

For Further Details

Fact Sheet on Forand Bill, 1959 CQ Weekly Report p. 1075-1076; state by state breakdown of aged populations, 1959 CQ Weekly Report p. 371; Editorial Research Reports, "Health of the Aged," Sept. 4, 1957; "Health Insurance Costs," May 28, 1958; "High Price of Drugs," Nov. 25, 1959.

Administration's Position

New impetus to adoption of some kind of Federal health insurance plan was given by the Administration which, during the last half of 1959, moved toward acceptance of such legislation. Secretary of Health, Education and Welfare Arthur S. Flemming's changing position was indicated by the following:

July 13 -- In testimony before the Ways and Means Committee, Flemming opposed the Forand bill, declaring that adequate medical care for the aged should so far as possible be achieved through reliance upon and encouragement of individual and organized voluntary action. Flemming, however, promised to conduct further studies and submit another report at the opening of the 1960 session. The Secretary said one possible approach would be to develop a plan under which workers could make voluntary contributions over a period of years to the Federal Government, which in turn could purchase insurance for them from nonprofit groups and insurance companies.

Nov. 12 -- Flemming disclosed that he had been unable, so far, to come up with an alternative to a compulsory health insurance plan. In view of this, he said, "we are reviewing our position on the basic principles embodied in such legislation as the Forand bill." The Secretary's statement was released along with a report of the President's Council on Aging, which called for an educational program to promote employment of older workers. Flemming also said he favored boosting minimum old-age assistance payments from $33 to $40, and raising the $1,200 ceiling on outside earnings for recipients of old-age benefits under 72 years of age.

Dec. 2 -- In a speech to the American Public Welfare Association in Washington, Flemming said he would ask Congress to approve (1) a "positive plan," not yet announced, for medical care for social security recipients, (2) a new Federal program for independent self-care for the infirm and severely handicapped on public assistance rolls, and (3) research on social problems that make persons dependent on public assistance. It was believed the Secretary's new plan would involve Federal provisions for some medical costs as an alternative to the Forand bill. Also proposed tentatively were various changes in provisions affecting Federal grants to state health and welfare programs.

Robert M. Ball of the Social Security Administration disclosed on the same day that the Administration was considering a plan to tie social security payments to the cost of living, a proposal to increase benefits to widows, and a plan to let a person over 65 earn more money than the $1,200 he now is allowed without losing part or all of his social security pension.

Harrison Proposal

Ball, deputy director of the Bureau of Old Age, Survivors and Disability Insurance, also predicted the Administration undoubtedly would seek to broaden the disability pension program. At present, persons 50 years or older are entitled to regular social security benefits if they become totally disabled. Ball indicated he favored elimination of the age limit. Rep. Burr P. Harrison (D Va.) a few weeks previously had announced he would introduce legislation in 1960 to eliminate the age limit provision for the disabled. Harrison is chairman of a special House Ways and Means Committee subcommittee that held hearings in 1959 on administration of the disability benefits program. Cost of the liberalization, Harrison said, could be covered from existing or anticipated surpluses in the social security trust fund. He estimated his plan would add about 100,000 persons to the disability rolls immediately.

The Democratic Advisory Council Dec. 6 issued a policy statement which declared that millions of retired Americans were being "denied the conditions that make the added years worth living." The Council said top priority in the immediate years ahead should be given to (1) a substantial increase in social security benefits, "with at least a 30 percent increase over the current minimum payment of $33 a month, (2) provision, through the Social Security System, of benefits to cover the increasing costs of adequate health care for retired beneficiaries and eligible dependents, (3) revision of the social security "retirement test" to allow part-time work to supplement regular insurance benefits up to an amount necessary to maintain a decent standard of living, and (4) the blanketing in to the Social Security Systems of all persons in covered occupations who already are retired.

Outlook

The struggle in the 1960 session will center on attempts to provide medical insurance under social security. Forand told Congressional Quarterly he continues to receive heavy mail in favor of his plan. He believes "people are willing to pay to get the benefits." It is known that at least 10 members of the 25-member Ways and Means Committee already have made public statements expressing favorable opinions of a Forand-type bill. Thirteen votes are needed to get committee approval.

Hyman H. Bookbinder, legislative representative for the AFL-CIO, told CQ that a medical insurance bill was a "really top priority item" of the labor organization in the 1960 session. He called a health insurance plan "the most important objective in the social security field." Without Administration approval, however, it is doubtful that any health insurance legislation could become law in the 1960 session. Social security legislation reaching the floor of either chamber normally stands an excellent chance of passage in an election year. Best prospects for passage are those features which can be financed without additional taxation, and which will cause no immediate or substantial drain on the unbalanced trust fund.

The Administration will be particularly skeptical of moves to finance increased benefits by lowering trust fund reserves; most of this fund is invested in Treasury securities.

Apparent agreement among Administration and Democratic leadership on need for expansion of the disability insurance program practically insures passage of this type of legislation.

Democrats have been focusing attention on the medical plight of the aged throughout the between-session recess, first through the Senate subcommittee hearings on problems of the aged, and in addition through hearings by the Senate Judiciary Committee's Antitrust and Monopoly Subcommittee into pricing practices of drug manufacturers. Social security recipients are among those hardest hit by large outlays for medicine.

CQ Fact Sheet

On Unemployment Problems

CONGRESS SEEKS CURE FOR STRUCTURAL UNEMPLOYMENT

The forthcoming report of the Senate's Special Committee on Unemployment Problems will underline the serious and growing proportions of structural unemployment in the United States -- the type of joblessness that persists in good times as well as bad. The report is expected to affirm the need for Federal action on a wide front, both to remedy some of the root causes of this type of unemployment and to mitigate the human suffering that it entails. Among the steps likely to be proposed or endorsed are a substantial program for area redevelopment, significant improvements in unemployment compensation, a larger program of job guidance and counseling, and (possibly) a new program of Federal grants for general public assistance.

Hearings opened in Washington on Oct. 5, and were continued in a number of cities in Pennsylvania, Michigan, Minnesota, West Virginia, Kentucky, Indiana, and Oregon, with a number of additional states scheduled. The geography of the hearings, no less than of the Committee's membership, reflected the location of the country's major areas of chronic and persistent unemployment. In addition to its hearings, the Committee arranged to publish a compendium of special studies on various facets of the unemployment problem. Their general nature was already indicated, however, by some of the testimony received, as well as by a concurrent study prepared for the Joint Economic Committee, in connection wih its sweeping examination of employment, growth and price levels.

Background

On April 8, 1959, the AFL-CIO held a one-day mass conference on unemployment in Washington, D.C. Its purpose: to highlight the fact that, although industrial production had recovered fully since its recession-low in April 1958, heavy unemployment persisted. The figures below show, for August 1957, April 1958 and March 1959,.(1) the industrial production index (1947-49 = 100); (2) the number of unemployed, and (3) unemployment as a seasonally-adjusted percentage of the civilian labor force.

	(1)	(2)	(3)
August 1957	145	2,609,000	4.3%
April 1958	126	5,120,000	7.5
March 1959	147	4,362,000	5.8

Among those addressing the April 8 conference was Senate Majority Leader Lyndon B. Johnson (D Texas), who announced that he had introduced a bill (S 1631) that day to establish an 11-man Commission on Unemployment Problems, to report back to Congress within 90 days. By the end of the day 67 Senators had joined him as co-sponsors of S 1631, and on April 10 the Senate passed the bill by voice vote and without debate. But the bill was not even referred to committee in the House; Speaker Sam Rayburn (D Texas) said there was no interest in it.

Stymied by the House, Sen. Johnson, with even less public notice than he had given before, presented a resolution (S Res 196) to the Senate Sept. 12, on the eve of adjournment, setting up a nine-member Special Committee on Unemployment Problems. Again the Senate obliged, by voice vote and without debate, by adopting S Res 196, which authorized the Committee to spend $100,000 and called for a report of its findings and recommendations by Jan. 31, 1960. Senators named to the Committee were Democrats Eugene J. McCarthy (Minn.), as Chairman, Pat McNamara (Mich.), Joseph S. Clark (Pa.), Jennings Randolph (W.Va.), Vance Hartke (Ind.), and Gale McGee (Wyo.), and Republicans John Sherman Cooper (Ky.), Winston L. Prouty (Vt.), and Hugh Scott (Pa.). Six of the nine -- McCarthy, Randolph, Hartke, McGee, Prouty and Scott -- were newcomers to the Senate in 1959.

Extent of Unemployment

Apart from the rise and fall of unemployment associated with the business cycle, there is a substantial amount ascribable to other factors -- seasonal swings in the demand for farm and construction workers, the summertime influx of teen-agers seeking employment, workers in transit from one job to another. Beyond these are longer-range factors making for changes in the structure of the labor market -- the decline of certain industries (coal, railroads), the migration of others (textiles), the advance of automation (automobiles), and the general decline in the demand for unskilled labor.

In a study of "The Extent and Nature of Frictional Unemployment," prepared for the Joint Economic Committee and released Nov. 20, the Bureau of Labor Statistics came to the following conclusions:

- In the period 1955-57, a period of high economic activity when unemployment averaged 2.9 million or 4.3 percent of the labor force, one-half of the unemployment was traced to three groups: new entrants into the labor force (20 percent), those unemployed because of seasonal fluctuations (20 percent), and those voluntarily "between jobs" (10 percent).
- In 1957 alone, a total of 10.6 million different persons lost some working time. Of these 3.4 million were unemployed for 15 weeks or more; 1.5 million were unemployed for more than six months, typically in more than one continuous spell.
- The rate of unemployment for non-white workers was twice that for white workers in 1957; non-white workers represented 27 percent of persons unemployed for more than six months, although they constituted only 11 percent of all workers.

Testifying before the McCarthy Committee in Detroit Nov. 12, Economist Charles C. Killingsworth said that the national rate of unemployment had advanced from 3 percent after the 1948-49 recession to 4 percent after the 1953-54 recession to 5 percent after the 1957-58 recession. Automation, he said, had contributed to a 6 percent decline in the number of factory production workers from 1948 to 1958, a period during which the index of industrial production increased 35 percent. For the future, he said,

further advances in automation and in agricultural productivity, coupled with a more rapid growth in the labor force, would "almost certainly" lead to an increase in structural unemployment.

By verifying and projecting the changing character of the labor market, the McCarthy Committee hopes to draw attention to the long-term character of the unemployment problem. Political interest in the Committee's report, however, is likely to center on those of its recommendations for specific legislative remedies for which there is some prospect of Congressional action in the election year of 1960. Prominent among these will be bills concerning unemployment compensation and depressed areas.

Unemployment Compensation

The Social Security Act of 1935 also established the unemployment insurance program, under which 90 percent of a tax levied on employers by the Federal Government (3 percent on wages up to $3,000) is returned to the states to pay unemployment benefits in amounts and for periods determined by the states.

Organized labor has long championed a sweeping revision of the program, including provision for minimum Federal standards for benefits and extension of coverage to large numbers of workers excluded from the program. In 1958, the AFL-CIO endorsed a measure sponsored by Sen. John F. Kennedy (D Mass.) and the then Rep. McCarthy which provided for a minimum of 39 weeks of benefit payments. President Eisenhower proposed, instead, a plan for the temporary extension of state benefits by 50 percent, to cope with the lingering effects of the recession. This, substantially, was the measure enacted by Congress as the Temporary Unemployment Compensation Act of 1958. An attempt by Kennedy to substitute his bill in the Senate was rejected by a 21-63 vote. (1958 Almanac p. 153)

In 1959 the House Ways and Means Committee held hearings April 7-16 on a number of proposals for revising the unemployment insurance program. Kennedy had reintroduced his bill, as S 791, along with 33 co-sponsors, while Rep. Frank M. Karsten (D Mo.) introduced its House counterpart (HR 3547). But the Administration expressed opposition to the imposition of minimum Federal standards. It proposed instead the extension of coverage to 3.2 million additional workers (by applying the program to employers of one or more workers, instead of those with four or more employees as at present), and an increase in the amount of wages on which the Federal tax of 3 percent is levied, from $3,000 to $4,200.

Closely divided on the question, members of the Ways and Means Committee failed to reach agreement on any bill in 1959. Chairman Wilbur D. Mills (D Ark.) and Rep. Richard M. Simpson (R Pa.), ranking GOP member, introduced identical bills May 18 (HR 7177, 7178) providing for some relatively minor changes in the program, but the Committee failed to act on them.

There is some question whether Congress will find time to tackle the problem in 1960. The Ways and Means Committee (where all revenue-producing bills must originate) is immersed in a broad review of general tax law, and is in any case split on the unemployment insurance issue. Senate liberals like Kennedy, McCarthy and Cooper face an uphill fight in the Finance Committee. The Administration is expected to renew its 1959 proposals; how much pressure it will apply remains to be seen. Election year considerations, however, could mobilize support for a substantial bill.

Depressed Areas

For five years Congress has debated the merits of instituting a Federal program of loans and grants to the nation's so-called depressed areas, suffering from chronic unemployment. These "chronic labor surplus" areas currently have less than 8 percent of the nation's labor force, but more than 14 percent of the unemployment. Large areas of Pennsylvania, West Virginia and Kentucky show the marks of the declining coal industry. The migration of textile mills to the South has hurt New England; Minnesota is feeling the pinch of declining iron ore reserves.

For several years President Eisenhower has proposed a $50-million program of Federal loans for area redevelopment, to help distressed communities to attract new industries and retrain their workers. Congressional Democrats have just as consistently insisted on a substantially larger program, to include grants as well as loans. In 1958 the President vetoed a $280-million area redevelopment bill. In 1959 the Senate voted 49-46 to pass a $390-million bill (S 722) sponsored by Sen. Paul H. Douglas (D Ill.). The House Banking and Currency Committee trimmed S 722 to $251 million, but the bill was stalled in the Rules Committee until adjournment.

There is a strong chance that Democratic leaders will bring the bill to the House floor in 1960 and that a bill authorizing perhaps as much as $300 million will be sent to the White House. Another veto would almost certainly follow, given the President's continuing preoccupation with a balanced budget. Enactment of a more modest program before adjournment, in the manner of the 1959 housing bill, might ensue.

Other Measures

The McCarthy Committee is expected to endorse, in substance if not in name, unemployment insurance and depressed area legislation closer to the Democratic-sponsored versions than to Administration proposals. The Committee is also likely to stress the need for Federal leadership in a broad effort to improve the structure of the labor market, by increasing worker mobility and training, improving the U.S. Employment Service, and stepping up guidance and counseling programs for young people entering the labor force.

Some Administration support for such an effort may develop in the wake of a resolution adopted Oct. 28 by the Federal Advisory Council on Employment Security. The resolution cited, as priority steps, measures for training, retraining and upgrading displaced workers, for more effective counseling, testing, and placement services, and for assistance in relocating and resettling workers "from areas of limited to areas of expanding employment opportunity."

Finally, there is some possibility that the Committee on Unemployment Problems will call for Federal participation in state programs of general public assistance. In fiscal 1958, the Federal Government distributed grants to the states of $1.1 billion for old-age assistance and $544 million for aid to dependent children, but nothing for general public relief programs, aside from surplus foods. It is unlikely that Congress in 1960 will expand grant aid to cover general assistance.

CQ Fact Sheet **On Civil Rights Outlook**

CONGRESS TO TACKLE CIVIL RIGHTS EARLY IN SESSION

Indications are that a civil rights bill will be passed in 1960, but attempts will be made to keep to a minimum the time and controversy involved.

The first civil rights legislation in 75 years was the Civil Rights Act of 1957. (1957 Almanac, p. 553) The chief features of that Act were the creation of the Civil Rights Commission and a Civil Rights Division of the Department of Justice and the power given the Attorney General to file injunctive civil suits to protect voting rights.

Liberals in Congress and civil rights pressure groups continue to press for further legislation, particularly a "strong" bill in 1960. For the purposes of definition, a strong bill would include the so-called "Part III." The Administration 1957 civil rights bill included in Part III provisions which would have empowered the Attorney General to initiate civil suits to safeguard all civil rights. The Senate struck this from the bill, leaving the Attorney General this power only in the case of voting rights. Although it is reported that the Justice Department again asked President Eisenhower for Part III powers in 1959, they were not included in the Administration bill.

1959 Action

Congress made little progress on new civil rights legislation in 1959, though it extended the life of the Civil Rights Commission until Nov. 8, 1961. This was accomplished by a last-minute maneuver in the Senate Appropriations Committee attaching an extension rider to a House-passed Mutual Security Program appropriations bill. The House, over some objections, finally agreed to the rider.

As for other legislation, when Congress adjourned in September a House bill approved by the Judiciary Committee was bottled up in the Rules Committee and the Senate Judiciary Committee had before it a Subcommittee-approved bill.

Hearings on both sides of Capitol Hill reflected the three-way split in Congressional sentiment on civil rights: Southerners held to their traditional opposition to any civil rights legislation while Northerners split between "moderate" legislation, as proposed by Senate Majority Leader Lyndon B. Johnson (D Texas) and the Administration, and "strong" legislation, backed by the liberals. In the testimony, Administration and Republican witnesses generally opposed any proposals that went beyond the President's 1959 recommendations (see below). Attorney General William P. Rogers held to the Administration position that Part III "might do more harm than good," but continually added the qualification, "at this time." Advocates of "strong" legislation, including the Americans for Democratic Action and the National Assn. for the Advancement of Colored People, continued to press for Part III.

Major Proposals

These were the major legislative proposals that were under consideration in 1959:

THE JOHNSON BILL -- Johnson Jan. 20, 1959 introduced S 499. Its features:

1. An anti-bombing provision, barring interstate transportation of explosives and conspiracies to intimidate people with bombs.
2. Extension of the life of the Civil Rights Commission, which was due to expire Nov. 8, 1959.
3. A grant of subpena powers to the Justice Department in investigations of voting rights cases.
4. Establishment of a Federal Community Relations Service to assist in the conciliation of disputes over segregation and integration.

THE ADMINISTRATION BILL -- Submitted Feb. 5, 1959 the Administration seven-point program included:

1. A provision making interference with a Federal court school desegregation order a Federal crime.
2. A bill making it a Federal crime to cross state lines to avoid prosecution for bombing a school or church.
3. Authorization for the Justice Department to inspect voting records and requirements for the preservation of the records for three years.
4. Extension of the Civil Rights Commission.
5. Granting of statutory authority to the President's Committee on Government Contracts, which seeks to eliminate discrimination in private employment.
6. Authorization of technical and financial aid to areas faced with desegregation problems.
7. Provision of emergency schooling for armed forces children in the event public schools are closed by integration disputes.

'LIBERAL' BILLS -- A bipartisan bloc of liberals in both Houses, including House Judiciary Committee Chairman Emanuel Celler (D N.Y.) and Sens. Paul H. Douglas (D Ill.) and Jacob K. Javits (R N.Y.), sponsored several bills which went beyond the other measures in providing:

1. Authority for the Federal Government to develop and enforce, through the courts, school desegregation plans.
2. Part III powers.

Bills Criticized

Many civil rights proponents said that the provision for making voting records available is the most important part of the Administration package. They believe that once all Negroes in the South have the right to vote, other discriminatory practices will eventually cease. Impounding or destroying these records has been an effective delaying tactic against probes by the Justice Department and Civil Rights Commission into voting

discrimination in the South. The State of Alabama passed a law in February 1959 authorizing the destruction of records after 30 days.

There are, however, important substantive differences between the voting records proposals. The Administration bill requires that records be kept for three years and turned over to the Justice Department upon written request. Johnson's bill does not specify that the records must be preserved and enables the Justice Department to subpena them only after the local registrar and the Governor of the state involved have refused to submit them. Sen. Kenneth Keating (R N.Y.) called this proposal "a snare and delusion," claiming that it would only set up new impediments.

Liberals also criticized both the Johnson and Administration bills for omitting private homes from anti-bombing measures, pointing out that intimidation by bombing has often been aimed at the homes of integration leaders.

House Bill

The House Judiciary Subcommittee No. 5 June 17 approved an amended version of the Celler bill that contained, in essence, the Administration's proposals plus Part III authority.

What emerged from the House Judiciary Committee Aug. 20 was a clean bill (HR 8601 -- H Rept 956). The Committee deleted the Part III authority, statutory authority for the President's Committee on Government Contracts, a policy statement describing the 1954 Supreme Court school desegregation decision as "the supreme law of the land" obligating action by state and local governments, and technical and financial aid for desegregating areas.

Committee Chairman Celler said an "unholy alliance" of Southern Democrats and Republicans was responsible for the removal of these provisions. He called the bill "a step forward," however.

As HR 8601 went to the House Rules Committee, it contained provisions which would:

- Make obstruction of court orders for school desegregation a Federal crime (anti-mobbing).
- Require preservation of voting records for two years and permit inspection by the Justice Department upon written request.
- Make it a Federal crime to cross state lines to avoid prosecution for bombing any building or vehicle. (The Administration bill limited this to churches and schools.)
- Authorize the Government to provide educational facilities for children of military personnel where public schools were closed to avoid integration.
- Extend the Civil Rights Commission.

At the end of the session, HR 8601 was stuck in the Rules Committee. But Celler had taken steps to bring it to the House floor by filing a motion to discharge the bill from the Committee. The petition reportedly received slightly more than half the necessary 219 signatures by the day Congress adjourned. When the second session convenes, the petition will be open for more signatures. Several Congressmen have stated intentions to sign it; others have indicated they would not sign because they oppose the use of discharge petitions, but would vote for the bill when it reached the floor.

Senate Action

Civil rights legislation made less headway in the Senate. Some liberal leaders have conceded that trying to work a bill through the Senate Judiciary Committee was only a formality, that they had no hope that the Committee would report it.

After holding hearings intermittently between March 18-May 8, the Senate Judiciary Committee Constitutional Rights Subcommittee July 15 reported a two-part clean bill (S 2391) which would require preservation of voting records for three years and make them available for inspection by the Justice Department (the Administration proposal) and extend the Civil Rights Commission.

The full Judiciary Committee voted to begin consideration of S 2391 Aug. 3, was still considering it at the end of the session, and reportedly plans to hear testimony from several Southern Senators when Congress reconvenes.

Other 1959 Developments

Other developments outside of Congress in 1959 will affect the 1960 civil rights picture.

Pursuant to the 1957 Civil Rights Act, the Civil Rights Commission and Civil Rights Division of the Justice Department were active in the field of voting rights. The Commission investigated complaints of voting discrimination in the South and Sept. 8 filed a report containing recommendations for legislation and Administration action. (For full details of the report see 1959 Weekly Report p. 1258)

The Justice Department filed four civil suits against local officials for discrimination in registering Negroes in Alabama, Georgia and Louisiana and for conducting a "white" primary in Tennessee. Two of these suits developed into cases which, in effect, test the scope and constitutionality of the 1957 Act and are pending before the Supreme Court.

ALABAMA -- At question is whether the 1957 Act empowered the Federal Government to sue a state. The Justice Department Feb. 6 filed a suit against the registrars of Macon County, the site of Tuskegee Institute. Before the case was heard, one of the registrars died and the other two resigned. When Justice amended its suit naming the State of Alabama as the defendant the district court judge ruled that this could not be done under the Act and he was sustained in the appeals court. The Supreme Court Nov. 16 agreed to review the case.

GEORGIA -- This case, to be heard by the Supreme Court in January, arose when the Justice Department sued the registrars of Terrell County and the district judge ruled that while the case before him might be within the constitutional authority of the Government, the section of the Civil Rights Act which gave the Justice Department authority to sue private individuals as well as state officials was unconstitutional.

A Justice Department spokesman expressed confidence that these cases would be decided in the Government's favor and said that, once these key tests of the 1957 Act were won, the Civil Rights Division would file several more suits.

The Civil Rights Commission, which met evasive tactics and outright challenges by local officials, suspended its voting rights investigations pending the result

of a Supreme Court case to be heard Jan. 18. The Justice Department Nov. 12 appealed from a decision by a three-judge Federal court in Shreveport, La., that the investigatory procedures of the Commission were not authorized by the 1957 Act.

1960 Outlook

Pro-civil rights legislators pin their hopes for a bill on early and brief consideration of their proposals.

Johnson and Senate Minority Leader Everett McKinley Dirksen (R Ill.) have committed themselves to bring up civil rights proposals on or around Feb. 15. Dirksen Nov. 31 predicted the Senate could dispose of the issue in about three weeks. He expressed agreement with other pro-civil rights Members when he told Congressional Quarterly Dec. 3 it would be "ideal" for the Senate to be able to take up a House-passed bill. The strategy of bypassing the Senate Judiciary Committee and placing a House-passed civil rights bill directly on the Senate agenda was successfully adopted in 1957.

The alternatives Senate leaders are considering would be to: take up a Committee-reported bill (generally considered an impossibility); discharge the Committee (a lengthy procedure); attach civil rights proposals as amendments to other bills. Liberals threatened to do this in 1959, by amending a bill, dear to Southern Senators, that concerned boiled peanuts.

Most House spokesmen have predicted that HR 8601 will reach the floor. They said the discharge petition would gain many more signatures and bring so much pressure on the Rules Committee that it would grant the bill a rule. The petition was given more than an even chance of getting the needed 219 signatures. Because House rules forbid attaching amendments that are not germane to a bill, there is less chance that it would initiate civil rights legislation on the floor as amendments to other bills. Thus if HR 8601 does not reach the floor, the House could not act on civil rights unless the Senate passed a bill of its own or attached civil rights amendments to a House-passed bill.

Javits Dec. 9 said he favored broadening the Administration's proposals to include: revival of the Part III provision; creation of Federal voting registrars, and an anti-lynching bill.

Sen. Harry Flood Byrd (D Va.) said Dec. 12 he would resist these proposals strongly. He said the Federal registrar recommendation violated constitutional provisions for determining the qualifications of voters.

Sen. Allen J. Ellender (D La.) said if further civil rights legislation is brought up in 1960, "it will be a battle royal." He said it would only undo improvement which he said had been taking place in the South in the field of civil rights.

Eisenhower Attitude

As for the kind of bill that might pass, President Eisenhower Dec. 2 stated that he "would like to see all the parts of the bill I submitted last year considered, and if possible, enacted this year." If HR 8601 comes to the House floor, Rep. William M. McCulloch (R Ohio), ranking Republican on the House Judiciary Committee, plans to add those Administration proposals which were removed by the Committee. Celler and Senate liberals will push for Part III, but several spokesmen for the liberals concede that Part III has little chance of passage in 1960.

Of the Administration proposals, Dirksen Dec. 3 told CQ he expected "not too much difficulty" on the provisions for preservation of voting records and aid for areas with military children and closed schools. He said the anti-mobbing provision might go through but that he expected real opposition to the provisions for technical aid for desegregating areas and statutory authority for the President's Committee on Government Contracts. He said that some Senators want to remove the anti-bombing provision from the civil rights package and make it part of the criminal code. Dirksen said "reasonable agreement should be sought before the bill comes up."

Although the Administration package and Part III will be the basis of the civil rights debate, it is likely that other types of civil rights legislation will be proposed and may be passed.

Anti-Lynching Bill

Indications are that the Administration will propose some type of anti-lynching legislation. Attorney General Rogers Nov. 18 said that as a result of the Mack Charles Parker lynching in Mississippi and the local grand jury's failure to prosecute, "we are studying the need for some new criminal statute in the civil rights field." (1959 Weekly Report p. 1501)

(The constitutionality of a Federal anti-lynching law has been questioned by several top lawyers.)

Alternatives to a Federal anti-lynching law would be to legislate against lynching by a constitutional amendment or by amending the criminal statutes protecting individuals' rights with stronger penalties in cases where lynching has occurred. Observers believe that the latter would have a greater chance of passage and expect the Administration to present this type of bill.

Although all of the Civil Rights Commission's recommendations can be expected to be offered as bills, the proposal that has received most attention asks that the President be authorized to appoint Federal registrars when the state registrars fail to carry out their duty. It is generally agreed that this is a strong proposal that would meet strenuous Southern opposition.

Pressure Group Activities

Civil rights groups, among them the ADA, NAACP, American Civil Liberties Union, and some AFL-CIO organizations, have plans to press hard in 1960 for Part III and other strong civil rights proposals, including the one concerning Federal registrars.

Top leaders of these groups plus representatives of some 15 other organizations will meet in Washington Jan. 13-14 to plan pressure strategy. Attempts will be made to schedule appointments for these 30 to 40 representatives with Congressmen who have not yet committed themselves on civil rights and with President Eisenhower and other White House officials. Vice President Richard M. Nixon, who is believed by many to want stronger civil rights legislation than that proposed by the Administration in 1959, also will be a target of this pressure.

Although these groups are solidly behind the Part III proposals, reportedly they split over the question of whether to oppose any legislation that does not contain Part III.

CQ Fact Sheet **On Balance of Payments**

PAYMENTS DEFICIT AFFECTS DEFENSE, TRADE, AID POLICY

The $7 billion deficit realized in the United States' balance of payments in 1958 and 1959 set off a chain of developments, beginning in September, that promised to provoke broad and heated debate in and out of Congress in 1960.

For the payments issue comprehended a host of complex questions respecting foreign trade policy, foreign aid, deployment of the armed services and domestic fiscal and monetary policies -- in short, several of the major national issues confronting the American electorate. As a framework in which to relate such disparate matters as air bases abroad and interest rates at home, the payments issue gave to candidates and voters alike an opportunity to reassess the place of the United States in the world of the 1960s.

Average Deficit

From 1950 through 1956, the U.S. ran a payments deficit averaging $1.5 billion a year. That is to say, the sum total of funds flowing out of the country -- to pay for imports, for private investments abroad, for Government grants and loans to other nations, for building and manning overseas bases -- exceeded by $1.5 billion a year the sum total of funds flowing into the United States -- from the sale of exports, earnings on investments abroad, interest and principal payments on foreign loans and direct foreign investment in the United States.

In short, throughout this period, the rest of the world gained and the United States lost $1.5 billion a year in gold and dollar reserves. At no time was this process a matter of general public discussion or concern. The Nation's trade balance -- itself the principal ingredient in the balance of payments -- remained favorable, exports generally exceeding imports by several billions of dollars. The other payments which, in the aggregate, exceeded the surplus in the trade account and produced the deficit in the balance of payments, were held to be justified on security or other grounds. The fact that the U.S. Government was, at the same time, consciously engaged in redistributing the free world's supplies of gold and dollars, in an effort to bolster international trade and economic stability, was rarely emphasized.

In 1957, a combination of price and demand shifts (including the effects of the Suez crisis) boosted the U.S. trade surplus to $5.7 billion, or enough to cover other deficit accounts and produce a $500 million surplus in the over-all balance of payments. But in 1958 U.S. exports fell off by $3 billion while imports declined only slightly, leaving a payments deficit of $3.4 billion. Imports rose sharply in 1959, exports very little; a payments deficit of $3.6 billion was expected. (See chart, next page)

The cumulative deficit in the U.S. balance of payments, from the end of 1949 to mid-1959, amounted to $14.6 billion. This was financed in two ways: by an increase of $9.8 billion in foreign short-term dollar balances, and by a net gold outflow of $4.8 billion. Almost one-half of the gold loss ($2.3 billion) occurred in 1958; another $500 million in gold flowed out in the first half of 1959 (not including a $344 million gold transfer to the International Monetary Fund), reducing the U.S. gold stock to $19.7 billion. Meanwhile, foreign short-term dollar balances in the U.S. had climbed to $16 billion. Of this, the principal industrialized countries -- Canada, Britain, France, Germany, Italy, and Japan -- each held $1 billion or more, in addition to healthy amounts of gold. For Western Europe and Japan, at least, the "dollar gap" of the post-war years had given way to a dollar glut.

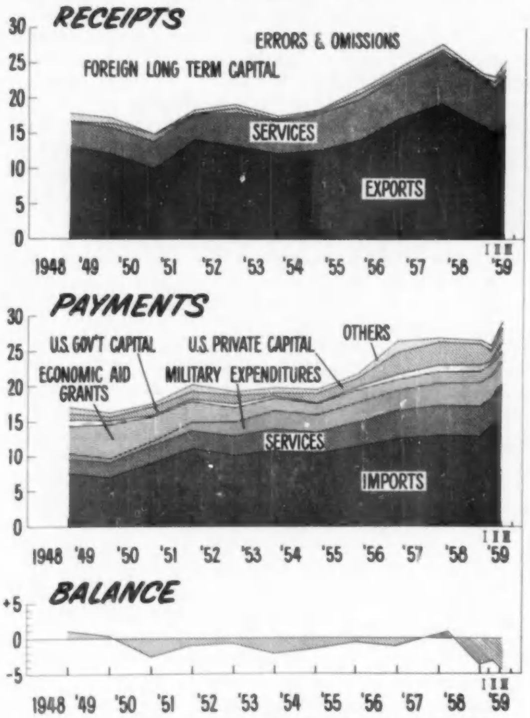
Administration Response

The heavy outflow of gold in 1958 (caused by the decision of foreign central banks to convert dollar balances into metal) raised, for the first time since World War II, the possibility of a run on the dollar. Secretary of the Treasury Robert B. Anderson at first made no direct response to this speculation; he emphasized, instead, the need to pursue sound fiscal policies at home. In retrospect, however, it became evident that the Eisenhower Administration's mounting insistence on the necessity of balancing the budget and curbing inflation stemmed, in great part, from Anderson's concern over the payments deficit and the consequent danger to the dollar.

By September 1959 the Administration was prepared to acknowledge publicly its worries over the payments deficit and to launch a corrective campaign. Elements of that campaign included efforts to increase U.S. exports, shift some of the costs of financing economic development in Asia and Africa to the other industrialized countries, and reduce the outflow of funds covering U.S. military expenditures abroad. These elements took form as follows:

- EXPORT RESTRICTIONS -- Secretary Anderson Sept. 29 told the governors of the World Bank and the International Monetary Fund that there was no longer any reason for other industrialized countries "to favor imports from non-dollar countries over those from dollar countries." He called on them to eliminate restrictions on U.S. exports. Under Secretary of State C. Douglas Dillon made the same point, even more forcefully, in Tokyo Oct. 27, at the annual meeting of signatories to the General Agreement on Tariffs and Trade (GATT). Payments deficits such as the U.S. encountered in 1958 and 1959, he said, "cannot, of course, continue." Failure to remove restrictions on dollar imports, he warned, "will make it exceedingly difficult for the United States ...to maintain forward-looking trade policies."
- DEVELOPMENT FINANCING -- In his Sept. 29 speech, Secretary Anderson also stressed the view that the other industrialized countries were able and should be willing to supply more capital for development projects in the poorer nations. This statement was followed by an announcement, Oct. 19, that henceforth the Development

U.S. BALANCE OF PAYMENTS, 1948-1959
(BILLIONS OF DOLLARS)



SOURCE: STANFORD RESEARCH INSTITUTE FROM U.S. DEPT. OF COMMERCE

1st & 2nd Quarter 1959 plotted at annual rate

Loan Fund would confine its loans to the purpose of financing procurement, whenever possible, in the U.S. (Established in 1957 to channel long-term loans on easy terms to underdeveloped countries, DLF had received appropriations totaling $1.4 billion by the time Congress adjourned in 1959, of which almost $900 million had been committed by November.)

● MILITARY COSTS -- A major factor in the U.S. payments deficit was overseas defense spending, which increased from $2.5 billion in 1953 to $3.4 billion in 1958. These sums included the cost of military equipment given to allied forces and the upkeep costs for U.S. forces at overseas bases. In 1958, for example, overseas spending by service personnel and their families amounted to $877 million. Two-thirds of the $3.4 billion spent in 1958 went to Germany, Canada, Japan, France, and Britain.

Secretary of Defense Neil H. McElroy Nov. 16 said there were no plans for the "immediate" withdrawal of U.S. forces overseas, but that it was something "we will have to face at some time." Administration officials were clearly reluctant to discuss such a possibility in public; President Eisenhower said as much at his Oct. 28 press conference. There were reports, nevertheless, that the Administration was considering moves to cut overseas defense spending, both by reducing direct U.S. forces expenditures and by persuading allied nations to bear a larger share of common defense spending.

Public Reactions

The Anderson-Dillon attack on foreign restrictions against U.S. exports was generally applauded by the American press. But the new Development Loan Fund policy, quickly dubbed the "Buy American" or "tied loan" policy, drew sharp criticism in several quarters.

In a letter to DLF Managing Director Vance Brand Oct. 22, Sen. J.W. Fulbright (D Ark.), chairman of the Senate Foreign Relations Committee, challenged the wisdom of the new policy and posed a series of questions. Fulbright asked, among other things, whether the DLF move didn't amount to a "radical change" in the U.S. policy of promoting multilateral trade. He asked also how other nations would react to "a seeming negation" of their efforts to remove trade restrictions.

On Nov. 16, a group of prominent economists and businessmen gathered at Princeton, N.J. to discuss the payments issue and alternative policies for dealing with it. They concluded: "This country is in no danger of collapsing under its responsibilities. Though a payments problem exists, there is no need to switch to a short-run and parochial view of our interests, which subverts the international order which we have helped to bring about."

They specifically rejected the use, for balance of payments reasons, of restrictive policies to reduce military spending abroad, reduce foreign aid, tie U.S. loans to U.S. exports, reduce U.S. private investment abroad, place restrictions on U.S. imports, or devalue the dollar. They supported the Anderson-Dillon argument for dropping restrictions on U.S. exports and increasing foreign development assistance. They also called for "harder selling abroad" and for recognition that "much more than in the past, our domestic, monetary, credit, fiscal and wage policies must be influenced by the serious long-run position in our balance of payments."

Policies Defended

The Administration quickly entered a strong defense for the new DLF policy. Replying to Sen. Fulbright's letter Nov. 13, Brand said "we feel that it is not necessary to use DLF funds to finance long-term capital exports from other strong industrial countries, especially when they now are able to provide such long-term financing themselves." He denied that the new policy was "intended to protect or to provide subsidy to American industry" and he asserted that "Europeans understand the basis for our DLF policy."

Under Secretary Dillon wrote Fulbright Nov. 14 that he was in "full agreement" with Brand's reply. He stated that the Administration had no plans at present to change the world-wide procurement policy followed by the International Cooperation Administration in distributing nonmilitary grant aid to other countries. (Of $964 million spent by ICA in fiscal 1959 for commodities, 53 percent was spent in other countries.) Dillon added, however, that "to the greatest extent possible" so-called project assistance (for which ICA spent $169 million on commodities in fiscal 1959) would be transferred to DLF. This would entail a shift from grants to loans.

The arguments advanced by Anderson, Dillon and Brand were restated Nov. 16 by Secretary of State Christian A. Herter, in a New York speech before the National Foreign Trade Council. In conclusion, however, Herter gave his assurance that "there is no intention of retreating from America's basic policies of liberal trade

or of proposing solutions which would weaken the over-all defense or economic strength of the free world."

On the surface, the Herter and Dillon statements were calculated to present a picture of Administration solidarity on the payments issue. Reports persisted, nevertheless, that Secretary Anderson -- credited with initiating the new DLF policy -- was pressing for additional restrictive measures in the face of State Department opposition. Sen. Fulbright, in releasing his correspondence with Dillon and Brand Nov. 19, expressed his hope that the Treasury would not be allowed to dominate U.S. foreign policy.

Long-Run Considerations

Expectations of increased exports produced estimates that the U.S. payments deficit in 1960 would drop to $2.5 billion. But as Brand wrote Fulbright, there was a "notable uncertainty" about such forecasts because of "the many unpredictable elements involved." Economists at the Princeton meeting stressed the difficulty of separating the cyclical from the structural factors accounting for the heavy payments deficits in 1958 and 1959. For the future, however, it was apparent that the United States faced a fundamentally changed world from that of the post-war years.

• EXPORTS -- U.S. exports in the 1950s varied from 16 percent to 18 percent of total free-world exports, except in 1957 when they rose to 20 percent. This was well above the pre-war level of 13 percent to 14 percent. But the reemergence of Germany and Japan as major exporters, especially of manufactured goods, indicated that the U.S. would face strong competition in maintaining its share of the export market in coming years. (See Editorial Research Reports, "Japanese Competition in International Trade," Nov. 18, 1959.)

Apparently in response to the Anderson-Dillon campaign, Japan agreed Oct. 31 to drop all discriminatory restrictions on dollar imports by April 1, 1961. France on Nov. 5 and Britain on Nov. 9 lifted a number of import controls on dollar goods. In each case, however, important non-discriminatory restrictions remained in effect. Moreover, the United States faced potentially serious barriers to its exports from the six-nation Common Market and seven-nation Free Trade Area in Western Europe. Adding to the difficulty of negotiating significant tariff concessions were the United States' own restrictions on agricultural and other imports.

Apart from the problem of removing artificial restraints on U.S. exports, there remained the question of whether American-made goods were being "priced out of the market." Evidence on this point was mixed; there was general agreement among economists, however, with a statement Nov. 12 by Sen. Warren G. Magnuson, chairman of the Senate Interstate and Foreign Commerce Committee, which launched a comprehensive study of foreign trade in mid-1959. Said Magnuson: "A really significant increase in exports can be achieved only if U.S. products are competitive in price, quality, and suitability, if they are offered on credit terms as favorable as those by our competitors, and if U.S. exporters go after foreign markets with as much competitive vigor as they go after the domestic market."

• IMPORTS -- As indicated by the rising volume of cars, cameras, and other consumer items imported by the United States, the American public had developed a broad taste for foreign goods by 1959. On the other hand, domestic industries hit by competition in the U.S. market had marshalled strong pressures in behalf of greater restrictions on imports. But it appeared doubtful that imports could be curbed sufficiently to eliminate the U.S. payments deficit without, at the same time, inviting retaliation from other nations that would work to reduce U.S. exports. And as indicated by Secretary Herter, the State Department at least remained commicted to a liberal trade policy, as being in the greater long-run interests of the United States.

• PRIVATE INVESTMENT -- Private U.S. long-term investment in other countries totaled $37 billion in 1959, with more than $27 billion of it representing direct investment in foreign subsidiaries and plants. Many of these assets were acquired by reinvestment of earnings; nevertheless, dollar income from direct investment consistently exceeded new dollar direct investment, producing a payments surplus rather than deficit in this account. For the future, however, two issues were posed. One related to the effect on U.S. exports in particular and the U.S. economy in general of heavy investment by American manufacturers in foreign plants, particularly in Western Europe, Canada, and Latin America. The other issue, of principal concern to the State Department, was how to promote additional private investment in underdeveloped areas rather than in the industrialized countries with which the U.S. was in payments deficit.

• MILITARY SPENDING -- Barring an international disarmament agreement, prospects for a substantial cut in U.S. military spending overseas remained dim for the immediate future. In the longer run, however, there was some possibility that these outlays might be reduced, both by virtue of a larger contribution by U.S. allies to their own defense and to joint undertakings, and by virtue of the development of intercontinental missiles, permitting the U.S. eventually to close down some of its strategic air bases abroad.

• FOREIGN AID -- The new DLF policy was not expected to have any substantial effect on the U.S. balance of payments for two or more years. Extension of the "Buy American" policy to ICA grant assistance would have a more immediate impact. In opposing such a step, however, the State Department argued that world-wide procurement had these distinct advantages for the United States: it helped to hold down the cost of foreign aid, both by getting the most per dollar and by supporting the economies of third countries also in need of aid; it served to keep trade in private channels; and it encouraged aid recipients to insist on competitive bidding, thus opening additional export markets to the U.S. in areas that might otherwise be closed.

Outlook

The reaction of Congress to the payments issue in 1960 depended, to a large extent, on what President Eisenhower proposed to do about it. There was little likelihood that the Administration was prepared, in its last year in office, to abandon its generally liberal trade and aid policies. There was a better chance that the President would ask Congress for less than the $3.9 billion requested for the Mutual Security Program in 1959, and that Congress would appropriate less than the $3.2 billion voted. Whether the full ramifications of the payments issue would be debated, however, might depend on the dispositions of the respective Republican and Democratic candidates for President.

CQ Fact Sheet **On State Revenues**

STATES COLLECTED $15.8 BILLION IN FISCAL 1959

How much do the states collect in taxes each year?
What are their most fruitful sources of revenue?
Are state tax collections rising or falling, and at what rate?

A Census Bureau preliminary study for fiscal 1959, released in December, provides the answers to some of these questions. It shows that in fiscal 1959:

- Forty-nine state governments (Hawaii excluded) collected an aggregate of $15.8 billion in taxes, nearly double the amount collected in fiscal 1950 and over $900 million more than in fiscal 1958. (The Federal Government, in contrast, collected $68.2 billion in fiscal 1959.)

- By far the most fruitful revenue source for the states were taxes on sales and gross receipts, which accounted for $9.3 billion of the $15.8 billion. (See chart p. 35)

- Of the $9.3 billion collected from sales and gross receipts, $3.7 billion came from the general sales tax, $3.1 billion from the sales tax on motor fuels and $2.5 billion from a variety of special taxes on specific products like whiskey, tobacco and insurance.

- The next best revenue sources were personal and corporate income taxes ($2.8 billion) and license fees ($2.3 billion).

- The average state tax for each individual was $91.70. Over half of that -- $53.80 -- was paid in the form of sales taxes; about one-sixth -- $15.97 -- in the form of individual and corporate income taxes.

- California, with $1.8 billion, was the top-income state government in fiscal 1959; Alaska, with $24 million, took in the least money. (For state breakdowns, ranking, see chart next page)

A sectional breakdown shows the following collections:

Section	Tax Revenues
East (12 states)	$4,292,000,000
Midwest (12 states)	4,286,000,000
South (13 states)	4,120,000,000
West (12 states)	3,121,000,000

Tax Categories

The greatest variety of taxes appeared in the license category. In most states, licenses were required for activities ranging from driving a car to selling liquor, and from hunting and fishing to the operation of public utilities. Georgia required a license to inspect fertilizer, Maine a special license for the operation of Beano, Massachusetts a separate license for Sunday entertainment.

Sources for sales and gross receipts taxes ranged from general merchandise sales to such specifics as automobile and aviation gasoline, alcoholic beverages and tobacco products. Some states, like Alabama, applied a tax to the cost of a night's lodging, while others, like Idaho, taxed oleomargarine. Illinois taxed the insurance issued to fire marshals, as did Louisiana, while Mississippi taxed sales made on the black market.

All but 13 states -- Florida, Illinois, Indiana, Maine, Michigan, Nebraska, Nevada, New Jersey, Ohio, Texas Washington, West Virginia and Wyoming -- taxed either corporate or personal incomes or both. A property tax was used as a source of revenue by 45 states -- Oklahoma, Oregon, Rhode Island and Tennessee were the only exceptions. A tax on inheritance and gifts was used by every state but Nevada and South Dakota while 25 states placed a severance tax on the removal of ores, timbers and other natural resources.

Of the 10 states with a poll tax, only three were Southern. The 10: Alabama, Alaska, Indiana, Maine, Nebraska, New Hampshire, Texas, Vermont, Virginia and West Virginia.

Trends

The Census Bureau report showed that of seven tax categories, the levy on sales and gross receipts provided the greatest revenue increase between fiscal years 1958 and 1959 -- over $500 million. The revenue from taxes on corporate and individual incomes also rose, increasing the fiscal 1958 figure of $2.6 billion by $195 million and those from licenses increased by $109 million from $2.2 billion during the same period. (See chart p. 35)

Even though the aggregate total from state taxes rose generally during the last fiscal year, as did the individual state totals, there were some tax sources which proved to be less lucrative. All but nine states -- Arizona, Georgia, Illinois, Louisiana, Maryland, New Mexico, New York, Rhode Island and Utah -- showed a loss in one or more of the seven categories.

A comparison of the total tax collections of the 49 states showed the only category to bring in less money in fiscal 1959 than 1958 was inheritances and gifts. These taxes combined in fiscal 1958 totalled $351 million but only $349 million in fiscal 1959. However, none of the tax categories showed consistent increases when the individual state receipts were reviewed. In Connecticut, for example, the sales tax revenue dropped nearly $1.2 million and in Maine license fee revenues dropped by $500,000.

The tax on sales and gross receipts was the most reliable, dropping for only three states -- Alaska, Connecticut and Nebraska. Licenses and income taxes proved less profitable for only five and seven states respectively. Severance taxes and inheritance and gift taxes each dropped in 14 states and the property tax revenue dropped in 12 states.

MAJOR INCOME SOURCES FOR STATES, FISCAL 1959

(In millions of dollars)*

STATES	1 State Rank in Income	2 Total Income	3 Sales & Gross Receipts	4 Licenses	5 Income	6 Property	7 Inheritance and Gift	8 Severance	9 Other
ALABAMA	24	$ 247.8	$ 174.6	$ 19.4	$ 37.2	$ 12.8	$ 12.8	$ 1.4	$ 1.5
ALASKA	49	24.0	7.0	4.8	9.5	0.3	0.3	1.9	0.7
ARIZONA	34	129.2	80.2	12.1	14.3	22.1	0.4	---	---
ARKANSAS	33	149.5	106.6	20.2	16.8	0.3	0.3	5.4	---
CALIFORNIA	1	1,812.6	1,149.7	166.2	336.1	114.3	45.0	1.2	---
COLORADO	31	171.3	93.3	23.4	35.6	12.9	4.8	1.2	0.6
CONNECTICUT	25	218.7	154.3	22.9	27.5	0.1	14.2	---	---
DELAWARE	40	67.9	16.6	16.7	32.2	1.6	0.8	---	---
FLORIDA	9	471.7	356.5	78.4	---	14.8	4.0	0.5	18.0
GEORGIA	15	337.4	260.7	23.4	50.5	1.0	1.8	---	---
IDAHO	43	56.6	21.2	15.0	17.5	2.4	0.5	0.3	---
ILLINOIS	5	742.5	601.8	118.4	---	1.1	21.1	---	---
INDIANA	14	379.8	308.8	48.4	---	15.8	5.4	0.4	0.9
IOWA	23	249.8	150.8	50.0	38.6	4.0	6.5	---	---
KANSAS	27	199.0	130.3	27.6	29.1	9.0	2.5	0.5	---
KENTUCKY	26	213.1	108.4	20.6	62.6	15.9	4.6	0.3	0.7
LOUISIANA	10	432.4	228.3	44.2	29.9	14.8	2.9	112.3	---
MAINE	37	81.2	62.2	14.4	---	1.5	3.0	---	---
MARYLAND	17	317.3	169.5	29.5	99.7	12.1	5.4	---	1.2
MASSACHUSETTS	8	479.7	166.6	108.5	184.6	0.2	18.6	---	1.1
MICHIGAN	4	806.3	545.8	143.0	---	47.2	14.4	0.6	55.3
MINNESOTA	18	313.7	114.0	50.2	102.6	20.0	7.1	19.5	0.2
MISSISSIPPI	29	182.5	134.0	15.0	18.5	4.4	1.3	9.5	---
MISSOURI	19	288.5	177.0	51.9	43.0	11.9	4.6	---	---
MONTANA	41	60.4	28.3	8.0	12.4	6.8	2.0	3.0	---
NEBRASKA	38	81.0	44.2	8.8	---	25.6	0.3	1.3	0.8
NEVADA	46	38.8	31.0	6.0	---	1.7	---	---	0.2
NEW HAMPSHIRE	47	37.9	21.2	8.9	1.5	2.3	1.9	---	1.3
NEW JERSEY	16	321.4	194.2	104.0	---	2.7	20.6	---	---
NEW MEXICO	35	113.4	74.6	15.6	6.8	7.1	0.5	8.9	---
NEW YORK	2	1,585.8	470.9	197.8	820.0	3.1	39.6	---	54.7
NORTH CAROLINA	12	397.6	225.6	55.0	101.8	9.8	5.4	---	0.1
NORTH DAKOTA	42	58.6	36.3	11.3	6.0	2.7	0.2	2.1	---
OHIO	6	735.2	545.4	133.4	---	47.6	8.7	---	---
OKLAHOMA	22	256.3	147.8	43.3	26.2	---	5.2	33.8	---
OREGON	30	176.5	43.2	35.3	93.4	---	4.0	0.6	---
PENNSYLVANIA	3	901.7	535.8	175.7	128.1	1.8	40.5	---	19.9
RHODE ISLAND	39	79.1	59.0	9.3	7.6	---	3.3	---	---
SOUTH CAROLINA	28	194.6	143.0	15.7	32.6	0.9	1.1	---	1.3
SOUTH DAKOTA	44	50.4	39.3	9.6	0.4	0.7	---	0.5	---
TENNESSEE	20	280.9	205.8	47.5	21.3	---	4.4	---	1.9
TEXAS	7	687.8	323.7	133.1	---	34.5	11.0	184.3	2.1
UTAH	36	83.3	51.2	9.2	17.6	1.5	1.1	2.6	---
VERMONT	45	38.9	16.7	8.5	11.5	0.4	1.0	---	0.8
VIRGINIA	21	270.2	110.4	41.1	96.1	13.3	3.7	0.3	5.3
WASHINGTON	11	418.0	344.2	37.0	---	27.0	9.0	---	0.7
WEST VIRGINIA	32	161.6	137.8	20.4	---	0.3	2.5	---	0.7
WISCONSIN	13	382.1	121.7	51.3	169.6	28.2	11.0	0.2	---
WYOMING	48	37.6	21.4	8.0	---	7.5	0.4	---	---
TOTAL		$15,831	$9,289	$2,310	$2,757	$565	$349	$392	$170

* *Columns may not add to totals because of rounding.*

SOURCE: U.S. CENSUS BUREAU

State Tax Collections by Type of Tax, Fiscal 1950-59

Tax source	Amount (in millions)[1]							Percent increase or decrease (-)		Percent distribution 1959	Per capita 1959[2]
	1959 (prelim.)	1958	1957	1956	1954	1952	1950	From 1958 to 1959	From 1957 to 1958		
TOTAL	$15,831	$14,919	$14,531	$13,375	$11,089	$9,857	$7,930	6.1	2.7	100.0	$91.70
Sales and gross receipts	9,289	8,750	8,436	7,801	6,573	5,730	4,670	6.2	3.7	58.7	53.80
General sales or gross receipts	3,694	3,507	3,373	3,036	2,540	2,229	1,670	5.3	4.0	23.3	21.39
Motor fuels	3,048	2,919	2,828	2,687	2,218	1,870	1,544	4.4	3.2	19.3	17.65
Alcoholic beverages	599	566	569	546	463	442	420	5.9	-0.5	3.8	3.47
Tobacco products	680	616	556	515	464	449	414	10.3	10.8	4.3	3.94
Insurance	548	455	428	401	353	284	241	20.4	6.3	3.5	3.17
Public utilities	364	345	343	300	263	228	185	5.5	0.6	2.3	2.11
Other	357	342	339	315	273	228	195	4.1	1.0	2.3	2.07
License	2,310	2,201	2,188	2,024	1,707	1,476	1,228	4.9	0.6	14.6	13.38
Motor vehicles	1,381	1,319	1,289	1,208	1,031	866	702	4.7	2.4	8.7	8.00
Corporations in general	360	346	408	333	251	226	176	3.9	-15.1	2.3	2.08
Alcoholic beverages	85	81	81	79	79	77	77	4.5	-0.3	0.5	.49
Hunting and fishing	108	100	90	86	78	70	60	8.2	10.7	0.7	.63
Other	376	355	320	318	268	236	213	6.0	11.0	2.4	2.18
Income	2,757	2,562	2,547	2,264	1,776	1,751	1,310	7.6	0.6	17.4	15.97
Individual income[3]	1,778	1,544	1,563	1,374	1,004	913	724	15.2	-1.2	11.2	10.30
Corporation net income[3]	979	1,018	984	890	772	838	586	-3.8	3.4	6.2	5.67
Property	565	533	479	467	391	370	307	5.9	11.3	3.6	3.27
Death and gift	349	351	338	310	247	211	168	-0.7	4.0	2.2	2.02
Severance	392	370	388	361	312	272	211	6.0	-4.8	2.5	2.27
Other	170	151	155	149	83	47	36	12.6	-2.3	1.1	.99

1. *Figures may not add to totals because of rounding.*
2. *Based on estimated population on July 1, 1958.*
3. *Individual income tax figures include corporation net income for from one to three states for each fiscal year shown.*

SOURCE: U.S. CENSUS BUREAU

POPULATION INCREASE

The Census Bureau Dec. 26 released state population figures as of July 1, 1959 (Hawaii excluded). The figures below compare 1959 population with 1950 population and indicate the percent increase or decrease.

	1959	1950	Percent Change		1959	1950	Percent Change
ALABAMA	3,193,000	3,061,743	4.3%	NEBRASKA	1,456,000	1,325,510	9.8%
ALASKA	191,000	128,643	48.2	NEVADA	280,000	160,083	74.9
ARIZONA	1,233,000	749,587	64.5	NEW HAMPSHIRE	592,000	533,242	11.0
ARKANSAS	1,744,000	1,909,511	-8.7	NEW JERSEY	5,930,000	4,835,329	22.6
CALIFORNIA	14,639,000	10,586,223	38.3	NEW MEXICO	879,000	681,187	29.0
COLORADO	1,682,000	1,325,089	26.9	NEW YORK	16,495,000	14,830,192	11.2
CONNECTICUT	2,415,000	2,007,280	20.3	NORTH CAROLINA	4,530,000	4,061,929	11.5
DELAWARE	454,000	318,085	42.7	NORTH DAKOTA	642,000	619,636	3.6
D.C.	840,000	802,178	4.7	OHIO	9,700,000	7,946,627	22.1
FLORIDA	4,761,000	2,771,305	71.8	OKLAHOMA	2,276,000	2,233,315	1.9
GEORGIA	3,838,000	3,444,578	11.4	OREGON	1,766,000	1,521,341	16.1
IDAHO	664,000	588,637	12.8	PENNSYLVANIA	11,323,000	10,498,012	7.9
ILLINOIS	10,205,000	8,712,176	17.1	RHODE ISLAND	875,000	791,896	10.5
INDIANA	4,638,000	3,934,224	17.9	SOUTH CAROLINA	2,417,000	2,117,027	14.2
IOWA	2,809,000	2,621,073	7.2	SOUTH DAKOTA	687,000	652,740	5.2
KANSAS	2,140,000	1,905,299	12.3	TENNESSEE	3,501,000	3,291,718	6.3
KENTUCKY	3,125,000	2,944,806	6.1	TEXAS	9,513,000	7,711,194	23.4
LOUISIANA	3,166,000	2,683,516	18.0	UTAH	880,000	688,862	27.7
MAINE	949,000	913,774	3.9	VERMONT	372,000	377,747	-1.4
MARYLAND	3,031,000	2,343,001	29.4	VIRGINIA	3,992,000	3,318,680	20.3
MASSACHUSETTS	4,951,000	4,690,514	5.6	WASHINGTON	2,823,000	2,378,963	18.7
MICHIGAN	7,960,000	6,371,776	24.9	WEST VIRGINIA	1,965,000	2,005,552	-2.0
MINNESOTA	3,399,000	2,982,483	14.0	WISCONSIN	4,010,000	3,434,575	16.7
MISSISSIPPI	2,185,000	2,178,914	0.3	WYOMING	319,000	290,529	9.9
MISSOURI	4,243,000	3,954,653	7.3				
MONTANA	687,000	591,024	16.2	TOTAL	176,365,000	150,825,978	17.3%

The Nation's Governors

Following is a list of Governors of 50 states and the year in which the office is up for election. An asterisk indicates Governors who cannot succeed themselves. Democrats are in CAPITAL letters. There are 34 Democrats, 16 Republicans.

Alabama -- JOHN PATTERSON 1962
Alaska -- WILLIAM A. EGAN 1962
Arizona -- Paul Fannin 1960
Arkansas -- ORVAL FAUBUS 1960
California -- EDMUND G. BROWN 1962
Colorado -- STEPHEN L.R. McNICHOLS 1962

Connecticut -- ABRAHAM RIBICOFF 1962
Delaware -- J. Caleb Boggs 1960*
Florida -- LEROY COLLINS 1960*
Georgia -- ERNEST VANDIVER 1962
Hawaii -- William F. Quinn 1962
Idaho -- Robert E. Smylie 1962

Illinois -- William G. Stratton 1960
Indiana -- Harold W. Handley 1960*
Iowa -- HERSCHEL C. LOVELESS 1960
Kansas -- GEORGE DOCKING 1960
Kentucky -- BERT T. COMBS 1963*
Louisiana -- EARL K. LONG 1959

Maine -- John H. Reed (1960†)
Maryland -- J. MILLARD TAWES 1962
Massachusetts -- FOSTER FURCOLO 1960
Michigan -- G. MENNEN WILLIAMS 1960
Minnesota -- ORVILLE L. FREEMAN 1960
Mississippi -- ROSS BARNETT 1963*

Missouri -- JAMES T. BLAIR JR. 1960*
Montana -- J. Hugo Aronson 1960
Nebraska -- RALPH G. BROOKS 1960
Nevada -- GRANT SAWYER 1962
New Hampshire -- Wesley Powell 1960
New Jersey -- ROBERT B. MEYNER 1961

New Mexico -- JOHN BURROUGHS 1960
New York -- Nelson A. Rockefeller 1962
North Carolina -- LUTHER B. HODGES 1960*
North Dakota -- John E. Davis 1960
Ohio -- MICHAEL V. DISALLE 1962
Oklahoma -- J. HOWARD EDMONDSON 1962

Oregon -- Mark Hatfield 1962
Pennsylvania -- DAVID L. LAWRENCE 1962
Rhode Island -- Christopher Del Sesto 1960
South Carolina -- ERNEST F. HOLLINGS 1962
South Dakota -- RALPH HERSETH 1960
Tennessee -- BUFORD ELLINGTON 1962
Texas -- PRICE DANIEL 1960

Utah -- George D. Clyde 1960
Vermont -- Robert T. Stafford 1960
Virginia -- J. LINDSAY ALMOND 1961
Washington -- ALBERT D. ROSELLINI 1960
West Virginia -- Cecil H. Underwood 1960*
Wisconsin -- GAYLORD A. NELSON 1960
Wyoming -- J.J. HICKEY 1962

† Special election in November 1960 to fill the term (expiring in 1962) of Clinton A. Clauson, who died Dec. 30, 1959.

STATE LEGISLATURES

This chart shows the size of party delegations in the 50 state legislatures in 1960. The results of regular elections in Mississippi, New Jersey and Virginia in 1959 are included. Information on special elections and vacancies are included where available. The figures were compiled by the research division of the Republican National Committee.

	SENATE		ASSEMBLY		GOVERNOR
	R	D	R	D	
Alabama	0	35	0	106	D
Alaska	2	18	5	33[1]	D
Arizona	1	27	25	55	R
Arkansas	0	35	0	100	D
California	13	26	33	47	D
Colorado	13	22	21	44	D
Connecticut	7	29	140	139	D
Delaware	6	11	9	26	R
Florida	1	37	3	92	D
Georgia	1	53	3	201	D
Hawaii	14	11	18	33	R
Idaho	18	26	23	36	R
Illinois	34	24	86	91	R
Indiana	27	23	21	79	R
Iowa	33	17	59	49	D
Kansas	32	8	69	56	D
Kentucky	8	30	20	80	D
Louisiana	0	39	0	101	D
Maine	21	12	94	56[2]	R
Maryland	3	26	7	116	D
Massachusetts	17	23	96	144	D
Michigan	22	12	55	55	D
Minnesota	42	25[3]	59	72[3]	D
Mississippi	0	49	0	140	D
Missouri	8	26	45	112	D
Montana	17	38[4]	31	62[5]	R
Nebraska	Nonpartisan	43	No Lower House		D
Nevada	10	7	14	33	D
New Hampshire	18	6	263	136[6]	R
New Jersey	11	10	26	34	D
New Mexico	8	24	6	60	D
New York	34	24	92	58	R
North Carolina	1	49	4	116	D
North Dakota	31	18	64	49	R
Ohio	13	20	61	78	D
Oklahoma	3	41	10	109	D
Oregon	11	19	27	33	R
Pennsylvania	28	22	102	108	D
Rhode Island	21	23	29	71	R
South Carolina	0	46	0	124	D
South Dakota	15	20	43	32	D
Tennessee	5	28	17	82	D
Texas	0	31	0	150	D
Utah	13	10	22	42	R
Vermont	22	8	198	46	R
Virginia	2	36	4	95	D
Washington	14	35	33	66	D
West Virginia	9	23	15	85	R
Wisconsin	20	12	45	55	D
Wyoming	16	11	26	30	D

1-Alaska--Two independents in assembly.
2-Maine--One assembly member listed as affiliation unknown.
3-Minnesota is nonpartisan. For this chart, the Minnesota Conservative candidates are considered Republican, the Minnesota Liberal candidates are considered Democratic.
4-Montana--One independent in senate.
5-Montana--Two independents in assembly.
6-New Hampshire--One independent in assembly.

Political Notes

ROCKEFELLER WITHDRAWAL

New York Gov. Nelson A. Rockefeller (R) Dec. 26 said he had made a "definite and final" decision to take himself out of the competition for the 1960 Republican Presidential nomination. This left Vice President Richard M. Nixon as the sole visible contender for the nomination.

In his statement, the New York Governor said his recent trips around the Nation had shown him, "that the great majority of those who will control the Republican convention stand opposed to any contest for the nomination." This would mean, he said, that a campaign by him would entail such a "massive struggle...that it would make impossible the fulfillment of my obligations as Governor of New York."

Concerning the Vice Presidential nomination, Rockefeller said, "Quite obviously I shall not at any time entertain any thought of accepting nomination to the Vice Presidency, even if the honor were offered, for this would clearly run counter to all the considerations inspiring my present decision." Nevertheless, immediately upon the announcement, Republican leaders began urging a Nixon-Rockefeller "dream ticket."

Rockefeller had always been firm in refusing to seek the Vice Presidential spot. Asked by a reporter a few days before his withdrawal if this refusal did not conflict with his position that he would do anything to help the Republican party, Rockefeller answered, "I never said that. I'm very careful about what I say. There are things I would not do for the Republican party and that is an example of one of them."

In his withdrawal statement, Rockefeller said the he was a Republican, "seriously concerned about the future and vigor of my party." He said he expected to support the nominees and the programs of the party in 1960. He also said he would continue to speak out on national and world issues.

Leaders of both parties expressed pleasure at the Rockefeller announcement. Republicans appeared relieved that there would be no struggle for the nomination. The Vice President said Rockefeller had made an excellent impression on the Nation and said he was "destined for continuing leadership in the Republican Party and in the Nation."

Democrats said Rockefeller's withdrawal showed that a "liberal" could not find a place in the Republican party. Feeling was that they could now secure votes which Rockefeller might have wooed away. Democrats also found advantage in knowing who their opponent would be so far in advance of the actual campaign.

MAINE GOVERNOR DIES

Maine Gov. Clinton A. Clauson (D) Dec. 30 died in his sleep.

Clauson will be succeeded by John H. Reed (R), president of the state senate. Reed will serve until January 1961. The man who will fill out the remainder of Clauson's term, which lasts through 1962, will be nominated and elected at the time of the regular primaries and elections in 1960.

NUCLEAR TEST POLICY

President Eisenhower Dec. 29 announced that the United States would allow the ban on nuclear testing, which was to expire Dec. 31, to continue on a day-to-day basis. The statement said there would be no resumption of tests without prior notice to the world. Presidential Press Secretary James C. Hagerty said no date was in sight for resumption of testing. During this period of "voluntary suspension," the President said, the U.S. would continue weapon research and development and laboratory experimentation.

The Democratic Advisory Council Dec. 1[illegible] recommended extension of the U.S ban. The council's advisory committee on science and technology Dec. 27 recommended that international disarmament be made a "major national goal."

* * * * *

The United States, England and France Dec. 29 suggested to the Soviet Union that a summit conference be held in Paris beginning May 16. The Big Three originally had proposed April 27, but Soviet Premier Nikita Khrushchev said that date was too close to the Soviet May Day (May 1) celebration. (1959 Weekly Report p. 1587)

HUMPHREY CANDIDACY

Sen. Hubert H. Humphrey (D Minn.) Dec. 30 announced that he would enter Presidential primaries in Wisconsin, the District of Columbia, Oregon and South Dakota.

Humphrey said he had "no illusions about my quest for the Democratic Presidential nomination. It will be an uphill fight." He said he would like to enter other primaries but that this was expensive and his resources were limited. He said his support came principally from people "of modest origin and limited financial means." He said his intention to be a spokesman for these people was one reason for his candidacy. His main reason for seeking the nomination, he said, was that he "can make a contribution to the formulation of national policy."

Humphrey said he had no intention of seeking or accepting the Vice Presidency.

BROWN ANNOUNCEMENT

California Gov. Edmund G. Brown (D) Dec. 29 said that he would take no action to become a serious contender for the Democratic Presidential nomination. He said he still expected to head the California delegation as a favorite son candidate. He said he hadn't made up his mind who he would support at the convention. Brown said the only thing that could change his mind about entering primaries in other states would be the entry of outside candidates in the California primary.

In announcing his decision, Brown made reference to the withdrawal of Nelson Rockefeller from the GOP race, which left Brown's fellow-Californian Richard M. Nixon a clear field for the GOP nomination. He referred to Rockefeller's organization and trips and said, "They are not going to take a freshman Governor from California unless he does some of the things Rockefeller did."

CQ

CONGRESSIONAL QUARTERLY

The Week In Congress

Issues Facing Congress

Congressional Quarterly's first Weekly Report for 1960 reviews the major issues facing the second session of the 86th Congress. In addition, an updated roster of the House and Senate appears, indicating Senators up for reelection this year and the freshmen Members of both chambers. A section at the back of the issue deals with state finances and Governors and gives party breakdowns for the state legislatures. Following is the table of contents: